FINANCIALTIMES

World News Iran hints at talks on US hostages within days

The Iranian leadership suggested indirect and infor-mal talks between Tehran and Washington over the Lebanese hostage crisis could begin within days, perhaps using Pakistan as an intermediary.

Kaifu to visit US Toshiki Kaifu, Japan's new Prime Minister, was planning to visit the US for four days between September 3-9 for talks with President Bush.

DC-10 engine fails A Northwest Airlines DC-10 carrying 256 people made an emergency landing in Denver after its tail engine apparently began breaking up.

Mexican train crash Nearly 100 people are thought to been killed and more than 500 injured when a train plunged into a river in Mexico.

South African talks President Kenneth Kaunda of Zambia will meet President W. de Klerk of South Africa in Livingstone, Zambia, on August 28 to prepare for negotiations between Pretoria and the African National Congress.

Lufthansa flies east Lufthansa made the first scheduled flight between West and East Germany. Page 16

Back to the fields

A Chinese authorities are broadening a national re-education campaign by ordering state-run work units to send recent graduates of Peking's universities to the countryside to learn from the peasantry.

Chinese army for HK Hong Kong citizens visiting Peking have been told China intends to station People's Libterritory after 1997. Page 3

Bases controversy Malaysia criticised Singapore's suggestion that it could host American military bases after 1991 should the Philippines ask the US to leave. Page 4

US gives asylum Nine high-ranking Contra mili-tary officers, including the Nicaraguan rebel chief of staff. applied for political asylum two days after Central American Governments agreed to disband the US backed force:

Dhaka evacuation Bangladesh called in the army to evacuate villagers marooned by monsoon floods that have

killed nearly 200 people. Cubs nominated Cube will join the UN Security Council next January for the first time since the 1959 revolution which brought Castro to

Norway's jobless up Norway's official unemployment rate reached a post-war

high of 4.2 per cent at the beginning of August. Airport chaos French airport electricians

voted to begin a five-day strike.

Relief for witches Australia's covens are clamouring for tax exemption after

a ruling in a US court that witches can be considered

members of a religious order.

MARKETS

STERLING New York lunch \$1.8220 \$1,6270 (1,6170) DM3.0775 (3.0725) FFr10,4050 (10.3850) SF:2.6525 (2.8450)

Y228,25 (225.00) £ Index 82.2 (91.9) GOLD \$374.2 (373.9) \$366.25 (373.9) N SEA CHE (Argus) Brent 15-day Aug

\$16.95 (17:00) Chief price changes venterday: Page 17

yield: 8.162% Long Boad: 108 & vield: 8.125%

SELLING PRICE IN IRELAND 80p, IN MALTA-40c

DOLLAR

DM1.8975

SFr1.6351

Y 139.35

London:

RATES Fed Funds 9%

New York lunchtime:

DM1.8915 (1.9006) FFr6.3950 (6.4225)

\$ index 69.6 (69.5) Tokyo close: Y139.05.

3-mo Treestry Bills:

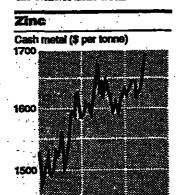
US LUNCHTIME

Y139, 10 (139,20)

Business Summary **UK** warned interest rates must stay high

REDUCING Britain's high inflation rate and large curren account balance of payments deficit will be a protracted task with interest rates staying high, the Government was

warned. However, in separate reports, the Bank of England and the Paris-based Organisation for Economic Co-operation and Development differed about whether existing policies were adequate for the job. Page 16 ZINC: London Metal Exchange prices climbed to 4-month highs as concern about a Peruvian miners' strike called for the start of next week



Jún 1989

prompted a wave of short-cov ering. The cash price for high grade metal closed at \$1,692.50 a tonne, up \$60 on the day. Commodities, Page 26

PHILIPS, Dutch electronics giant, nearly doubled its earnings in the second quarter and is pondering a stock exchange flotation of part of Polygram, its music production subsidiary. Page 17

WARTSILA, big Finnish industrial group, is to relinquish control of its Wartsila Marine shipbuilding subsidiary, one of Surope's largest privately-owned shipbuilding businesse as part of a tentative agreement with the Finnish Government to save the division from bankruptcy. Page 17

DOMINION Textile, Canada's largest primary textile and fabric producer, earned C\$12.4m (\$10.6m) in the fourth quarter, up from C\$10.6m a year earlier. Page 20

VOLVO Trucks, world's second-biggest global maker of heavy trucks, hopes to solve capacity problems through co-operation with Spanish state-owned truck company Enasa and French truck subsidiary of Renault RVL Page

GKNERAL Shopping, Laxembourg-based investment company which went into voluntary liquidation in 1983, foresees payment of a \$14.20 per share final dividend from its remaining assets of \$10m.

SAGA Petroleum, Norwegian oil independent, said first half profits before extraordinary items and tax adjustments immed to NKr151m (\$21.6m) from NKr62m. Page 20

SHOWA Shell Sekiyu, Japa nese oil refining and distribu-tion affiliate of Royal Dutch/ Shell, reported a 60.4 per cent first half fall in pre-tax profit to Y5.61bn (\$40.4m) after the yen's appreciation increased

import costs. Page 18 McCAW Cellular Communica tions, Washington State cellu-lar telephone company making a \$6bn bid for LIN Broadcast ing, said it lost \$87.5m in the second quarter, compared with the \$61.7m it lost a year ago.

HARRIS. Florida telecommuni-cations and defence equipment supplier, is in talks to sell its data communications and office systems businesses, tak-ing a \$86.8m write-off on the planned disposal which pulled the group into the red in its latest quarter. Page 18

STOCK DEDICES

2,347.3 (-13.1)

FT-A All Share:

1,194.84 (-0.5%)

FT-A long gift yield

index high coupon:

New York lunchtime

34,719.80 (-139.47)

LOWDON MOKEY

3-month interbank:

closing 1335 (1312)

FT Ordinary:

FT-SE 100:

9.29 (9.33)

DJ Ind. Av.

2,689.4 (+3.41)

Tokyo: Nikkei

US congressmen attack Goldsmith bid for BAT

MORE than 200 congressmen yesterday denounced the £13bn (\$21bn) bid by Hoylake for BAT Industries in an unprecedented political intervention in what is nominally a financial battle between two foreign-based

The US legislators' attack on Hoylake, the takeover vehicle for a consortium led by the Anglo-French financier Sir James Goldsmith, was made in a two-page open letter addressed to Mr James Baker, the US Secretary of State.
The letter was written by two US Senators representing Kentucky, one of the tobacco-producing states in which BATUS, the American sushidiary of BAT, is closely involved.

The 200 signatories include

powerful congressional leaders from both parties – drawn from virtually all the US states where BATUS oper-ates – with a particular con-centration in the 26 states where Farmers Insurance, another BAT subsidiary, oper-ates and where decisions by state insurance commissioners will be crucial to the success of

The letter urged Mr Baker to "communicate concern" to the British Government about a hid which they said would put 55,000 BAT employees and mil-lions of its American insurance policy holders at risk.
"The proposed deal looks



nator Robert Dole (right) "outraged" by Sir James Goldsmith

worst," the letter said. Even more ominously for Hoylake, the politicians went on to express their "outrage" about the way that Sir James Goldsmith, Hoylake's main partner, was trying to avoid the application of US securities laws and state insurance regu-lation to his proprosed deal.

Some of the legislators who signed yesterday's letter have already taken steps in Con-gress to create potential obstacles to the deal.

These have included for-mally urging the Securities and Exchange Commission like takeover fever at its (SEC) to assert jurisdiction



over the deal and ask the Gen-eral Accounting Office to report on the bid's implications for US securities holders. Any such moves by the SEC, in particular, could prove disastrous to Hoylake because of the tight timetable imposed on the bidding process by the City Takeover Panel in London

In a separate development which underlined the political and regulatory hurdles faced in the US by Sir James Goldsmith and his partners in Hoylake, state insurance commissioners from around the country were due to meet in Kansas City last

night to discuss the possibility of a concerted response to Hoy-lake's bid.

The need to secure the approval of US insurance regulators pose a major threat to the Sir James's bid.

In London, the US opposition prompted a robust response

from Sir James.
The congressional opposition to the bid was, he said "another tribute to the tentacular lobbying power of a sprawling tobacco-based con-

omerate The group of congressmen opposed to the proposed bid includes Senator Robert Dole, the Republican Minority leader, Senator Claiborne Pell, the Democratic chairman of Committee, and Representative Henry Gonzalez, the Demo-cratic chairman of the House Banking Committee.
In London, meanwhile,

BAT's advisers have now made formal submissions to the Takeover Panel questioning the value put on the all-paper offer by the bidder, and Hoy-lake is due to respond. The BAT argument rests on

the fact that the marketability of the Hoylake paper is unclear – Hoylake itself has said that shareholders' ability to sell Hoylake notes at the value suggested is not assured - and that the use of a current Anglo share price in computing part of the offer value is misleading.

Soviet farmers to be paid in hard currency

By James Blitz in Moscow

THE SOVIET Government yesterday launched one of the most radical economic experi-ments since Mr Mikhail Gorbachev came to power by promis-ing, in a bid to cut food imports, to pay farms in hard currency for any grain and oil-seed production above recent

This latest attempt to encourage farmers to grow more, and thereby ease crippling shortages of food and foreign exchange, was decreed by the country's Council of Ministers following pressure from the newly-elected Congress of Peoples' Deputies and the smaller standing legislature, the Supreme Soviet.

The purchasing system will he introduced as an experiment over the next two years:
According to Tass, the Soviet news agency, "the state will pay in hard currency for all wheat sold in excess of the average annual production between 1981 and 1985." In the case of oilseeds, average pro-duction will be determined

from the years 1986 to 1988. The resolution also implies that the move was intended to lead to a fall in Soviet imports of grain from the West, esti-mated to be 33m tonnes in the According to Tass, "the Soviet Parliament considered it

expedient to spend part of Soviet currency on seeds and grains from Soviet farms grains from Soviet farms rather than abroad. The hard currency for payments will be obtained through the cuts in imports of grain, oil-bearing seeds, and vegetable oil and the farms will be free in spending the earned currency."

Apart from helping farmers, the announcement of the plan is also a fillip for the 2,250member Congress of People's Deputies, where the idea was first publicly mooted, and the smaller Supreme Soviet. The resolution will help confirm the principle that the Congress and the Supreme Soviet can have real input into national legislation. The announcement will also boost the standing of Mr Nikolai Shmelev, the parliamentarian and radical economist who is widely credited with posing the idea of paying farmers hard currency for excess production rather than using it to import food.

Until now his views have been considered too radical. even in the current reformist climate. The new move would in theory extend to farms the same rights to retain foreign exchange – and spend it on equipment, or even consumer goods – that has gradually been granted to industrial enterprises.

President of Norsk Data resigns

By Alan Cane in London

MR ROLF SKAR, founder and president of the troubled Nor-wegian minicomputer manufacturer Norsk Data, resigned yesterday in the wake of a far-reaching reorganisation designed to staunch losses and return the company to profit-

Last year, Norsk Data lost NKr871m (\$118m) on a turnover of NKr2.9bn after more than a decade of growth. Yes-terday it warned that losses for about NKr190m, relieved only by an extraordinary item of income of NKr50m derived from the disposal of property in Oslo and the sale of two small data processing compa-

The resignation of Mr Skar. who has been the company's driving force, was not unexpected - he had offered to resign last year after the full

extent of the company's prob-lems became known. However, he was persuaded to stay to help plan and implement the reorganisation.

He was been replaced by Mr

Erik Engebretsen, the 40-year-old former executive vice presi-dent responsible for sales and marketing.
Under the reorganisation, agreed by the board earlier this week, the company will operate as several independent

ble for its own development and results, and serviced by a small corporate staff. The structure is designed to match better the pattern of the computer industry, which has developed as a series of niche markets. Mr Engebretsen said the units would cover central and local government, the com-

puter sector. Analysts suggest that Mr Skar's hands-on management style would not suit the new structure. He will be available to advise the new management and has yet to decide on his

next career move. Norsk Data is one of a number of minicomputer manufac-turers that have failed to react quickly enough to trends in the industry. As a result, they have suffered losses and their dent have been reduced. Others include the US manufactur-Wang Laboratories and Data General and the West

German company Nixdorf. Difficulties within the industry have arisen following the development of microcomputers offering equivalent performance to minicomputers at a fraction of the price. Customers have also moved to indus-

market which represents about 70 per cent of its business, although Mr Engebretsen said that the position had

try standards rather than opt-

ing for proprietary designs and

weakness in the Scandinavian

Norsk Data was also hit by

The company is still cash rich and is seeking co-operative agreements for some of its new business units. ness law make it possible for the company to merge with a

competitor or be taken over but Mr Engebretsen said no negotiations were in progress despite speculation. He would not rule out the possibility, saying that Norsk Data's marketing strength in Scandinavia, West Germany and the UK made it an attractive proposi-

Bush appoints black to top military post

By Peter Riddell, US Editor, in Washington

GENERAL Colin Powell, former National Security Adviser to President Ronald Reagan, was yesterday named as the new Chairman of the Joint Chiefs of Staff, the top military post in the US. His appointment has

attracted attention primarily because he is the first black person to hold the job. Just as son for President George Bush picking the General over the eads of several more senior officers

Gen Powell was apparently not the first choice of Admiral William Crowe, current chairman of the joint chiefs, who believed the General should gain more command experience before being promoted. Continued on Page 16



General Colin Powell: proved his loyalty and efficiency.

industry and the small com-Radical shake-up at Nissan UK gives UBS major stake in unit

mercial sector, the newspaper

By Kevin Done, Motor Industry Correspondent, in London

NISSAN UK, the UK importer and distributor of Nissan vehicles and Britain's largest retail motor group, has been radically restructured with a Swiss bank acquiring a major-ity stake in the company's fast-growing dealership and finance operations.

The surprise emergence of Union Bank of Switzerland, the leading Swiss bank, as a major shareholder through its Luxembourg subsidiary, has deep-ened the mystery of who ulti-mately owns and controls the Nissan UK Group, one of Britain's most highly profitable privately-owned companies. The group is run by Mr Octav Botnar, its publicity-shy 75-year-old chairman and managing director who has been the driving force since 1970 in making Nissan the most suc-cessful Japanese make of car

in the UK It includes Missan Finance UK, which claims to be one of the top 10 UK finance companies with total receivables of about £900m (\$1.46bn).

Union Bank of Switzerland (Luxembourg) has acquired its 71.52 per cent shareholding in the retail operations from European Motor Vehicles Cor-poration (EMV), a Panama-regstered company which Nissan UK directors previously considered to be the group's ultimate

holding company.
UBS insisted that its shareholding in Automotive Financial Group Holdings, the newly-created holding company for Nissan UK's former retail and finance operations, was an investment made by the bank on its own behalf and was not

a nominee holding.

It admitted that it was unusual for the bank to take such a large stake in a company. UBS said it intended to appoint a Swiss member, but not an official of the bank, to the AFGH board. "Our interests will be taken care of," it

Nissan UK holds the highly lucrative sole concession for importing and distributing Nissan vehicles in the UK. Accord-

ing to unaudited accounts, the Nissan UK Group made pre-tax profits last year (the year to July 31, 1988) of £132m on a turnover of £1.2bn with more than 5,200 employees. During the past 18 months

Mr Botnar has quietly but radi-cally reorganised Nissan UK, further masking the ultimate control of the group's assets. He said last night, "This is a major restructuring aimed at reinforcing our position as the the UK, if not in Europe."

The Nissan UK group is having to expand rapidly to cope with the growing volume of production from Nissan Motor of Japan's assembly plant at Sunderland in north-east

Two new companies have been formed, Nissan UK Holdings (NUKH) and Automotive Financial Group Holdings Mr Botnar, who has become

chairman of both these compa-Continued on Page 16 Tangled tale, Page 8

CONTENTS

OECD for the Pacific Rim, an idea whose time has arrived



Australian Prime Minister Bob Hawke (left) has taken up the

long-discussed idea of an OECD-like organisation for the Pacific Rim nations. "The Asla-Pacific region is at a pivotal point in history", he says. Page 4

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Estonia: Over 30 factories hit by protests against new election law . Hong Kong: China planning to station troops there after 1997 Central America: Five hands point way to the

Technology: Why there is an anxious watch on the sun's activity ... Editorial comment: Power politics in Poland; Slow down, Mr Clarke Down but not quite out: Alan Bond sells for

Lext Oil, Bank of England, Smith and Nephew,

Philips, BTR Financial Futures ... Şipçik Marketa -Wall Street -London . Unit Trusts World Index

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Brussels to seek tighter rules on toxic waste

By Tim Dickson in

THE DEFIANT decision by the authorities at Tilbury Docks, near London, to refuse permis-sion to unload a consignment of Canadian toxic waste was being noted with interest yes-terday by European Commis-sion environmental experts. For while public opinion and port officials have been making the running in this week's drama — rather than Commu-nity law — the whole issue of dangerous and toxic waste is receiving increasing attention at European Community level.

There is no suggestion that the producer or UK importer were in any way contravening EC law - but those concerned at the trade's alarming growth hope that the UK incident prompts member states to tighten EC rules at a ministerial meeting here next month.

The Community already has specific directive on the offending substance - poly-chlorinated biphenyls, or PCBs - introduced in the context of general Community action to combat dangerous chemicals.

The directive lays down min-imum standards for disposing of the waste, including the temperatures which should be used in an incinerator, specifying particularly that it should not be turned into the carcino-

A specific Item on next month's agenda concerns tighter rules for waste han-dling proposed by the Euro-pean Commission more than a year ago. The Commission's ideas include modifying an existing "framework" directive on general waste management, as well as replacing a 1978 directive on hazardous waste

with a completely new version. A spokesman says the aim is to "stimulate the use of clean technologies and recycling and ensure consistent methods of control across the Community

for hazardous waste". The proposed new EC directive on hazardous waste lays down more precise definitions a need seen as particularly urgent in view of the growth in cross-border trade.

Member states will have to take the necessary steps "to prohibit the uncontrolled abandonment, discharge, disposal and transport of hazardous waste"; mixing of hazardous waste with other waste will be prohibited; while EC Govern-ments may if they wish make collection and transport operations subject to authoris-

Information about authorised treatment plants will have to be notified to Brussels, and inspections will be stepped up. A data bank on waste treatment would be set up.

Most RC countries have nov implemented another important directive on the transfrontier shipment of toxic and dangerous wastes. Prompted by Italy's Seveso disaster, agreed in 1984 and updated in 1986, the legislation puts the onus on exporting countries to notify in advance that they have a consignment to ship, and requires the importing government to give its consent. Several states, including Britain, were slow to ratify it. The directive requires exporters (to destinations within and outside the EC) to

show both an import licence and evidence that the waste can be properly treated.

Another EC initiative was launched last week with the

publication of a proposed new directive on civil liability for those who cause environmental damage or personal injury with industrial waste (including toxic waste).

approved, it would mean that a producer or importer, of say PCBs, would be liable for any harm caused up to the moment the consignment reached its final destination. Legal responsibility for spillages and other disasters is currently hard to pin down.

More than 30 factories hit by protests against new election law

More Russians strike in Estonia

By James Blitz in Moscow

THE STRIKE by ethnic Russian workers in the Soviet republic of Estonia entered its second day yesterday, compounding the minority's protest against a law which disenfranchises them from voting in

franchises them from voting in republican elections.

According to Mr Sher Leviy, Editor in Chief of the Novosti press agency in the republic, a total of 14,000 ethnic Russian workers failed to turn up for work yesterday in the capital, Tallinn, some 4,000 more than had begun the strike on Wednesday. There was no guarantee they would resume work today.

Nevertheless, the effect of the stoppage continues to be mitigated by the determination of thousands of Estonians to man local transport and facto-ries in the capital.

Mr Yuri Rudyat, a member of the Russian language group Interdvizhenie, told the Reuter news agency that buses had been brought to Talling from neighbouring towns to maintain public transport. He said 28 factories were on strike in Tallinn and three more in a neighbouring town.

The show of strength by the Russian minority coincided with the publication yesterday

of markedly pro-Russian com-ments from Mr Vitaly Vorotni-kov, a member of the politburo and leader of the Russian federation within the USSR.

In an interview published In an interview published prominently by Sovyetskaya Rossiya, Mr Vorotnikov said that the independence and sovereignty of the Russian republic (RSFSR) should now be strengthened in relation to other republics in the country.

"We believe it is necessary to have our own estate supply syshave our own state supply sys-tem for goods within the RSFSR. It is also important to have our own republican organisations of the Komsomol

and trade unions," he said. His call for national indepen dence for Russia – a parry, perhaps, to nationalist senti-ment in the Baltics and else-where – was strengthened by his attack on several unnamed deputies who spoke at the recent Supreme Soviet session on topics which only affected

their own regions.
"Too often there was a desire to bring up topics that con-cerned this or that region, rather than ones concerning the union as a whole. The speeches of several deputies were slowed down by provin-cial inertia," he said.



Workers at a Tallinn factory vote to strike in protest at Estonia's new election law

German doubts over 'open-arms' policy

THE CURRENT tension between the two Germanys over controlling the flow of East Germans who are seeking asylum in West Germany has highlighted the ordinary West German's ambivalence towards his fleeing cousins from the

It is no longer politically taboo in Bonn to suggest that East Germans should stay where they are and fight for political reform.

A poll in yesterday's edition of the daily paper, Bild, suggested that 64 per cent of West Germans welcome the refugees, but that 54 per cent think they should stay in their own country. Those numbers reflect an old

dilemma for the Bonn political establishment, which is deeply

committed to an "open-arms" policy towards fleeing East Germans, but at the same time realises that such a policy allows the East Berlin authorities to siphon off resistance, slowing down reform and thus, arguably, even delaying reuni-

One official from the Inner-German Relations Ministry told a press conference earlier this week: "We don't want German re-unification to take place entirely within West Ger-

The reform movement in other parts of the East bloc, alongside continuing reaction in East Berlin, has added an extra twist to that dilemma for Bonn and helped increase the flow of legal emigration from East to West Germany, which

will probably involve 100,000 people this year. Bonn is not currently opti-

mistic about political reform in

East Berlin partly because, as

one editorial writer put it: "Dissatisfied people in the USSR, Poland or Hungary say: hings must change'. Dissatisfied people in East Germany say: We're getting out'." Mr Rudolf Seiters, the West German minister in charge of the present row over 130 East German asylum seekers inside the West German diplomatic

mission in East Berlin, has said that his country does not

encourage East Germans to And he has openly appealed to East Germans to stop seeking refuge in West German embassies all over the East bloc. On Wednesday night a popular television programme broadcast a speech from a reformist East German historian appealing to his fellowcountrymen to stand and fight and saying that it was always the best motivated and best qualified who left.

This was followed by a studio discussion in which young immigrants from East Gerimmigrants from East Germany were critically questioned about why they had left. Lack of hope and loneliness was the most common response, although some admitted to being attracted by the higher standard of living. Some analysts believe that East Germany's economic problems could be seriously worsened by the outflow of skilled people.

Democratic virus begins to infect Poland's politics

THE PAST week of political and party manoeuvre in Poland has been the clearest possible sign that democratic possible sign that democratic practices are taking rands root. As yet, though, it is a sign, not a certainty.

Lech Walesa started it, on Monday night, with an announcement to the Polish

news agency from his home in Gdansk on the Baltic coast that he would be willing to talk to the Peasants Party (ZSL) and the Democratic Movement (SD) about forming a coalition government. It is a constitutional possibil-

ity: Solidarity has 161 seats in the 460-seat lower house to the Communist Party's 173, so naither commands a majority. But the ZSL has 76 deputies, which would give either of these larger parties a simple major-ity. The SD, with 27, could provide a firmer base or compen-sate for ZSL deputies who remained loyal to the Commu-nists (the balance of seats are held by three small lay Catho-

lic groups).
The ZSL and the SD, whose entire political post-war life has been spent in coalitions with the Communists, went into lengthy executive council meetings on Wednesday. Speaking for the meeting, Mr Roman Malinowski, the Peasant Party president, was dis-missive of the Walesa offer, calling it "demagogic" and evasive of the true problems of Poland. However, the state-ment issued after the council meeting was neutral and conciliatory, accepting talks with Solidarity's leadership with an

open mind. Mr Malinowski, near retire-ment, actually no longer speaks for a united party. A separate meeting of its parlia-mentary group led by Mr Alex-ander Bentkowski on Wednesday denounced the Malinowski leadership, proclaimed that it would not support another Communist Government and sought to position itself as an independent actor.

The Democrats, whose executive also met for much of Wednesday, produced a simi-larly worded statement welcoming talks. Speaking to the FT yesterday, Mr Jerzy Jozwiak, the party chairman, said Mr Walesa had made "an interesting offer" and that "there is nothing lost by talking".

The Communist Party was clearly taken aback. Its polit-buro meeting on Tuesday con-demned Mr Walesa's initiative as irresponsible and divisive, though it was careful to add with a touch of the old arrogance that it did not attach

much importance to the affair. Not much General Czesław Kiszczak, appointed Prime Minister last month by his fel-low general, President Wojciech Jaruzelski, shows every sign of finding it hard to put together a Government. Already, Mr Mieczyslaw Wil-czek, the Industry Minister, seen as a star of the former Government, has reportedly refused a further term at his

post.
Few give any Government which the general can cobble together more than a few months, and that prevailing cynicism deepens his difficul-ties. The Communists are reel-

Solidarity has reclaimed the initiative which its huge victory in the elections gave it.

Having condemned itself to democracy, Poland cannot now step back from the consequences

Yet it, too, is suffering strains. Its parliamentary group met on Tuesday and gave Mr Bronis-law Geremek, its leader, a hard time because the group did not know about the Walesa initiative until they read it in that day's newspapers. Mr Geremek did not know either: but by Wednesday he was able to tell his colleagues that Mr Walesa had given him his word never to do that kind of thing again. There is, of course, danger in this political manoeuvring, for it takes place over great dissatisfaction with big price rises; a continuing rash of strikes, mostly short but disruptive; a plunging currency; inflation at

more than 100 per cent; and meat supplies which were only yesterday relieved by the first eliveries of European Community beef. The possibilities of decline into social chaos, wherein a real demagogue could engineer a return to authoritarianism, is real and frequently discussed – perhaps most of all by

senior Communist officials
But having condemned itself
to democracy, Poland cannot
now step back from the consequences. Over the next few days a round of talks will take place, familiar enough to most democracies, where the trading of horses will be the order of

Editorial comment Page 14.

Nevertheless, the formal pre-

sentation of the memorandum

one of the first written reser-

vations for several years, does

suggest growing unease among sections of the Soviet Foreign

Ministry. They apparently feel that the evolution of the RC into a political, or indeed, mili-

tary union, would inevitably raise difficult questions about Vienna's neutrality.

Yesterday, senior Austrian Foreign Ministry officials con-ceded that the tone of the

memo was somewhat "surpria-ing", but added that the views were similar to those verbally

stated during visits by both Mr Vranizky and Mr Alois Mock, the Foreign Minister, to the Soviet Union last year. Recent Soviet statements on this issue had indicated that

Flight chaos looms after French vote for strike

FRENCH AIRPORT electricians voted yesterday to begin a five-day strike, threatening serious delays to holidaymakers on one of the summer's busiest weekends, Reuter

A spokesman for one of the two trade unions representing 50 per cent of the electricians said they opted to strike after pay negotiations with the Gov-

ernment collapsed.
France's civil aviation
authority predicted that flights
between Britain and Spain would be particularly dis-rupted. Mr Michel Delebarre, the Transport Minister, said: "I am worried . . . that the action has been timed, for the third consecutive occasion, to disrupt air travel by targeting periods of heavy traffic, penal-ising French and foreign holi-

daymakers."
The electricians, who maintain computer and radar equip-ment for air traffic controllers, went on strike twice in July during peak weekends for holi-day travel.

Split in Soviet reform group

DIFFERENCES within the Soviet Union's emerging group of reformist parliamentarians emerged yesterday with the publication of caustic comments from Mr Roy Medvedev, the historian, on Mr Boris Yelt-sin and Dr Andrei Sakharov,

agencies report.
Mr Yeltsin, a former polit-buro member, and Dr Sak-harov, a Nobel Prize-winning physicist and human rights physicist and numan rights campaigner, were among the five prominent figures chosen last month to lead the new Inter-Regional Group, comprising 400 reform-minded members of the 3 250-cent Compression bers of the 2,250-seat Congress of People's Deputies.

Mr Medvedev told the Italian Ar Medvedev told the Italian Communist newspaper L'Unita: T'm not against the creation of an opposition group. But only as long as it doesn't threaten our still-fragile democracy. I don't see that necessary caution either in Yeltsin or in Sakharov. "I don't want (Veltzin or Sak-

"I don't want (Yeltsin or Sak-harov) to take power because they wouldn't know how to

Norway jobless. total up again

NORWAY'S OFFICIAL unemployment rate reached a fresh post-war high of 4.2 per cent at the beginning of this month, writes Robert Taylor in

Stockholm.

The existence of more than 92,000 johless — more than 9,000 of them under 20 — is expected to be an important issue in next month's general election. The rise in unemployment has come in a shock to a country which has tradition-ally had one of the lowest rates

in Western Europe.

Mrs. Gro Harlem Brundtand's minority Labour Government introduced a NKr3.5bn (2307m) package of labour market measures in spring with the aim of creating around 40,000 jobs in the sec-ond half of this year.

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Islamic team in refugee inquiry

A THREE-MAN team from the A THREE-MAN team from the Islamic Conference Organisa-tion (ICO) will make a fact-finding tour in the next few days of the border area where more than 250,000 ethnic Turks have crossed from Bulgaria into Turkey this summer, com-plaining of harsh repression, writes Jim Bodgener.

Turkey is urging a wide range of countries — Western, Communist and Islamic - to put pressure on Sofia to respect the rights of its Turk-

respect the rights of its Turk-ish-speaking citizens.
On Wednesday, Mr Mesut Yilmaz, the Turkish Foreign Minister, told his Libyan coun-terpart, Mr Jaddalah Azzouz al-Talhi, that the Islamic world faced a "major test" and urged 'effective action" to persuade

"effective action" to persuade Sofia to change course.

A Turkish Foreign Ministry official yesterday called it "inexcusable" that Greece had qualified its endorsement of a joint condemnation of Bulgaria issued by Nato this week.

FINANCIAL TIMES

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Drive to put brake on autobahn speed kings sparks angry debate

autobahns looks increasingly likely to become one of the most emotional issues in next year's election campaign, with the main opposition parties committed to imposing a speed

limit of 120kph.

Mr Joschka Fischer, one of the country's most popular Greens, recently compared the German obsession with cars and speed with the American insistence on the right to carry weapons - a mark of "manli-

But it does look increasingly as if the days of 200kph (125mph) driving are past, if not after the next election then as a result of pressure from Brussels soon after.

The writer Gunter Grass recently headed a boycott of Germany's main automobile association, ADAC, in protest at the association's campaign against the 100kph limit intro-duced by the Red-Green Gov-

THE TERRIFYING speed at which some West Germans drive on their speed-limit-free wastly outnumber their opponents on the streets if not at the ballot box.

Arguments for a ban have recently been shifting from environmental to safety grounds. About 8,200 Germans were killed on the roads last year, 27 a day, and nearly half a million were hurt as a result of the two million recorded road accidents. The number may increase as road traffic

increases after 1992.

And although the widespread introduction of catalytic converters has reduced pollu-tion from high-speed luxury cars it has not eliminated it completely and higher speeds still eat up more fuel. President François Mitterrand of France recently pointed to the lack of a speed limit as evidence of German hypocrisy in environmental matters. The Car Industry Associa-

tion hits back by saying that only 9 per cent of deaths occur on autobahns and that the

annual death toll has fallen from 19,000 in 1970 (when safety belts were not compulsory). The industry admits that international comparison is dif-ficult but none the less says that per one billion kilometre of road-driving, Germany records only 6.3 deaths com-pared with 6.9 in the US, 10.8 in France and 18.1 in Italy France and 18.1 in Italy.
The Association may exag-

gerate the damage to sales at the faster end of the market from a speed limit given the popularity of German cars around the rest of the speed-controlled world. But it said better roads and traffic control systems were the best way to further reduce accidents.

Towns and cities are increasingly introducing 30 kph limits in built-up areas although they seem to be poorly enforced. Last year's experiment with 100 kph zones on autobahns was also poorly enforced – only 20 per cent of drivers observed it – so neither side in the debate has been able to call

Nuclear division | Moscow voices worry of Siemens to cut workforce

KWU, the nuclear plant division of the electronics glant Siemens, announced yes-terday that it would shed 1,850 of its 22,500 strong domestic workforce because of a drop in business, Reuter reports from Erlangen.

A spokesman for the com-pany said that 850 jobs alone were going because of a politi-cal decision in April to abandon building the country's first nuclear reprocessing plant at Wackersdorf. Most jobs would go by not replacing those who left KWU,

by early retirement and by internal transfers. But the spokesman said there could also be a limited number of He added that KWU also had to reduce its workforce

because of a general decline in nuclear plant building. In 1986 KWU had orders totalling DM22.5bn (£7.2bn), but this had slipped to DM12.5bn by last September. Of total Siemens group sales of nearly DM60bn last year, KWU accounted for more than

on Austria's EC bid

THE SOVIET UNION, in one of purely an internal affair. its firmest statements on the subject to date, yesterday warned Austria that its neutrality could be undermined as a result of its recent application to join the European Com-

In a memorandum delivered to Chancellor Franz Vranitzky by Mr Gennadi Shikin, the Soviet ambassador to Vienna, the Soviet Union expressed "concern" about the Austrian
Government's decision to press
ahead with applying to the EC.
It would lead to "the loss of
the actual possibility (for Austria) to carry out its neutral
policy", the memorandum
stated.

Austria's neutrality is grown.

Austria's neutrality is guaranteed under the State Treaty signed in October 1955. The treaty paved the way for the withdrawel of the French, British, Soviet and American troops which had occupied the

Yesterday, Mr Vranitzky was quick to shrug off the note, saying that the application was

Belgrade rejects **US** resolution on human rights

YUGOSLAVIA yesterday-described as "monstrous" a US resolution on human rights abuses suffered by one of this abuses suffered by one of this Communist country's best-known dissidents, Reuter reports from Belgrade.

Mr Ivo Vajgl, a foreign ministry spokesman, said the resolution adopted by the US Senate on August 4 supporting dissident Mr Dobroslav Paraga was a blow against Yugoslavia. Reports in Belgrade said the resolution called on Yugoslavia to guarantee human rights and grant amnesty to all political

grant amnesty to all political prisoners.

Mr Paraga, 29, spent four years in jail from 1980 to 1984 and in 1987 filed an unprece-dented suit against the state for alleged brutality. He lost

the case. Yugolsav diplomats in Wash-ington told US senate officials their resolution had been rejected by the authorities in

share of power market mally guarantees the mainte-nance of profitability in the THE BELGIAN Government has drafted a plan to give the state-controlled power supply

Belgium plans to expand

company a greater share of the country's electricity market amid concern at the threat of foreign control, officials said yesterday, AP reports from

Brussels. Under the plan, the market share of Societé Publique Coop-erative D'Electricité, Belgium's state-owned electrical concern, will grow to 15 per cent by the year 2005 from its current 5.3

per cent.
The project also calls for investments of some BFr200bn (\$4.8bn) over the next 10 years to meet growing electricity

As part of the accord, the Brussels Government agreed to assure a profit for private utility companies.

Belgium's three private elec-tricity companies, Ebes, Unerg and Intercom issued a state-

"This convention for-

sought the accord out of concern of increasing foreign own-ership of Belgian electrical util-

strategic interests of (beigiting) in the electricity sector, the Government is putting in place a mechanism for increasing the participation of existing public bodies." Mr Claes was quoted as saying.

ity in terms of stock market

capitalisation, followed by

Ebes and Unerg.

The Brussels newspaper Le Soir said Mr Willy Claes, Min-ister of Economic Affairs,

"To assure the defence of strategic interests of (Belgium)

According to market analysts, Ebes, Unerg and Intercom generate 93 per cent of electricity production in Belgium and distribute 84 per cent of it.

Yugoslav farmers plan rally on price cuts

main grain-producing region plan an unprecedented protest rally this month after failing to reach agreement with the Gov-

reach agreement with the dov-ernment over food prices, AP reports from Belgrade.

A meeting on Wednesday between Mr Stevo Mirjanic, the agricultural minister, and several hundred farmers from the fertile region of Vojvodina with agricultural minister failed to resolve farmers' complaints about government attempts to reduce runaway inflation by forcing down food prices down, the Belgrade newspaper Poli-

the Beigrace newspaper Politika said.

Farmers in Yugoslavia's largest republic of Serbia, which includes Vojvodina, object to a recent government decision to flood the market where flower where with cheap flour, wheat, sugar and other foods from federal stockpiles to try to halt con-stant price rises on those items.
Mr Mirjanic told the farmers

the policies of past govern-

FARMERS from Yugoslavia's ments were to blame for the main grain-producing region plan an unprecedented protest slav agriculture.

a nationwide agricultural protest in Belgrade, but yesterday a powerful farmers' forum Steps such as the introduction of higher guaranteed prices for farm products would be taken to alleviate the situa-tion, he added.

The newly formed farmers' Initiative Committee, however, decided on the rally to press farmers' demands. Mr Sava Govorcic, a member of the committee was quoted as saying: "We can't wait any longer. None of our demands have yet been met."

Several hundred thousand farmers are expected to stage a farmers are expected to stage a protest in front of Belgrade's parliament building with their farm machinery on August 28. Government officials had appealed to the farmers to call off the rally, saying it would hamper preparations for the Non-Aligned Summit scheduled to begin in the capital next month. next month According to earlier reports, Serbian farmers had hoped for

powerful farmers' forum a powerful latiness solution from the country's northern republic of Slovenia refused to participate, the state Tanjug news agency said.

Mr Ivan Oman, head of the official Slovenian Farmers'

Union, said in a letter to the Serbian farmers' committee, Serbian farmers' committee, that the reform-minded Government of premier Mr Ante Markovic, which assumed power last March, "had already taken certain steps to fundamentally alter the economic system," the agency reported. Farmers' associations from the second-largest republic of Croatia and from the southern region of Macedonia also declined to participate, press reports said.

Authorities in Serbia have vetemently criticised and

vehemently criticised and called for the removal of Markovic's Government in the past two months, which has emphasised the need to revive Yugo-slavia's stagnating economy by

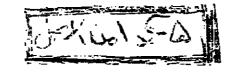
Serbian officials say Mr Mar-kovic should instead deal first with the country's 750 per cent inflation rate, which has cut further into falling living stan-dards and heightened social tension. But Mr Markovic's cabinet has enjoyed wide pub-lic support in Slovenia and Croatia, the country's two economically most powerful republics.

In a separate development, Tanjug reported that a two-day strike by about 6,000 employees of Yugoslavia's largest rubber and shoe plant ended with the workers accepting a manageworkers accepting a manage-ment offer for a 107 per cent wage increase.

The plant, employing over 20,000 people, was the source-last summer of the biggest strike in the country's history,

when several thousand strikers in Belgrade broke through police lines and occupied the parliament building for several hours.

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OVERSEAS NEWS

Elliott in ench rol row over market inquiry

Strike

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By Chris Sherwell in Sydney

A SIMMERING row about the business practices of Mr John Elliott, chief executive of the Elders DL brewing, agriculture and finance conglomerate, has boiled over in classic Aus-

has boiled over in classes Australian style.

Mr Elliott, who is also president of the opposition Liberal Party, has lambasted a parliamentary committee's plan to have him answer questions as part of a general inquiry into insider trading and other forms of market manipulation.

In a television interview on Wednesday he called the request "reprehensible" and "scurrilous", said it was "polit ically motivated", and accused the committee of trying to usurp the powers of the National Companies and Secu-

rities Commission, the official share market watchdog. Responding yesterday, Mr Alan Griffiths, a Labor Party MP and the committee's chairman, said the committee would not be deflected from its work by "defamatory and intimidatory remarks'

The row has erupted now because of a move by key Elders directors, through a group called Harlin Holdings. to acquire full and direct con-trol of Elders through a forth-coming offer to shareholders to

self or buy Elders shares. The committee, apart from developing a specific interest ement buy outs, also wants to learn more about the way Elders directors who have received one-cent partly-paid shares have since benefited from subsequent scrip issues of fully priced shares.

No one is accusing anyone of anything illegal. But last week Senator Peter Walsh, the Finance Minister, who has pre-viously attacked Mr Elliott for both his political views and his business practices, claimed that an opposition Liberal MP had approached him suggest-ing an investigation of Elders

share issuing practices. Mr Griffiths, a backbencher, decided to take up the issue, even though Elders shareholders have approved the Harlin plan, albeit after some pointed and critical questioning. In his response to Mr Eli

iott's complaints yesterday. Mr Griffiths labelled the latest Elders move "the biggest management buy out since Captain Cook landed in Australia. He added: "There would be something very wrong with the parliamentary committee looking at this issue if they were to be discharge of their duties."



High inflation keeps gnawing at Israel's economy

Some officials believe that severe unemployment is inevitable and necessary, reports Hugh Carnegy

THE Lebanese hostage crisis may have stolen the headlines in Israel this month, but it has masked only temporarily another deeply entrenched problem for the Israeli Government - the parlous state of the economy. Unemployment is rising omi-

nously, and is about to move into double figures. Inflation is about 20 per cent a year and is proving stubbornly difficult to bring down. Industrial output and growth have stalled in the past 18 months and investment has slumped. Lower than budgeted tax revenues and upward pressures on Government spending threaten to open up a wide budget deficit.

Just before the hostage crisis

arose, the coalition, made up mainly of the rival Labour and Likud parties, responded to mounting public alarm about the economy – especially from the powerful Histadrut trade union federation – by announcing a Shi 275m (£87.5m) spend ing plan designed to inject some growth through infrastructure projects, investment incentives and the like. Extra spending has also been allocated to cover the costs of suppressing the Palestinian uprising in the occupied territories.

The Government pledged that this extra expenditure, to be spread over at least 18 months, would be matched by cuts elsewhere in the budget, it referred specifically to cuts in

Daewoo to

car-making

diversify into

SOUTH Korea's ailing Daewoo

Koje. "We worked out the plan

to make our company less vul-

changes."

Kim Woo-choong, chairman
of the Daewoo Group, which

owns the shipyard, told Han the group would invest up to 2000n won (2190m) in the ship-

yard in the next few years.

Most of the money will be

used to build a car plant with

an annual production capacity

Daewoo Shipbuilding, the

country's second largest yard, has debts of \$1.8bn (£1.1m). Early this year, the govern-ment unveiled a financial aid

package to bail out the ship-yard that included 400bn won

in loans. The package was con-

ditional on the shipyard's own efforts for survival.

South Korea plans to

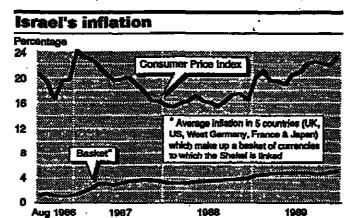
tighten controls on foreign banks to prevent possible tax evasion, officials said yester-

day, AP-DJ reports from Scoul.
Officials of South Korea's
Bank Supervisory Board said
the board had decided to

tighten regulations on foreign banks trying to sell business

of 240,000 units.

nerable to external economic



unemployment benefits and restrictions on minimum wage limits. The intention is to avoid worsening a budget deficit already projected this year to equal 6 per cent of gross national product.

But, as one top economic official remarked sceptically, seeing is believing when it comes to budget cuts. His worry is this: that in seeking a way out of the bind, politicians will be tempted into a short-term fiscal relaxation that in the long term could undo much of the progress they believe the country has made towards restructuring a rigid, socialist-designed econ-omy that had become choked

The message from such eco-nomic professionals is unpalatable. It is that Israel, like many Western European countries before it, will have to endure high unemployment if inflation is to be conquered and the economy is to make the adjust-ments needed to make it more open and efficient.

open and emicient.

Israel set out on this path in
1985, and within two years,
budget deficits that had
approached a fifth of GNP were
eliminated, towering debt-GNP
ratios declined and inflation fell below 20 per cent. The added bonus was that the economy managed to keep growing, restricting rises in unemploy-

ment. That ground to a halt last

real interest rates and a fall in domestic demand finally fed through. The economy was also hit by the effects of the Palestinian uprising. The Bank of Israel estimates that the uprising knocked some 1.5 per cent off GDP in 1988 and has contributed to a general lack of

business confidence. Unemployment and inflation are the prime issues confronting Mr Shimon Peres, the Finance Minister and Labour leader. The lobby for Government action to ease unemploy-ment is led by the Histadrut, a Labour stronghold since the foundation of the state.

In one revealing outburst against his critics. Mr Peres said that high jobless rates were preferable to false short-term fiscal measures, but the idea that high unemploy-ment is unavoidable is not one he can afford to proclaim too loudly given Labour's already precarious electoral position.

There is also the extra sensitivity attached to unemployment in Israel because of its Zionist commitment to provide

Much of the present unemployment stems from struc-tural changes such as a marked growth in the labour

in the late 1960s and greater

a livelihood for all Jews who

want to make their homes in

year, however, as the effects of participation by women - sta-a pegged exchange rate, high bilisation of the state sector and adjustments in industry towards higher productivity. The pressures of unemployment, combined with a worry-

ing slowdown in the vital export sector, led Mr Peres and the Bank of Israel to devalue the shekel in June. Officials say there are now

signs of the hoped-for upturn in the all-important export sector. But the latest exchange rate adjustment seemed to contradict the previously firmly asserted policy that a fixed rate was the main weapon against inflation.

That continues, at least in the Bank of Israel, to be the stated policy, a stance supported by the International Monetary Fund. The intention is that a stable exchange rate will force adjustments in the Israeli economy to break the still predominant habit of indexation, and so establish genuine competitiveness.

That is still a long way off. According to figures from Bank Hapoalim, the inflation differential between Israel and the average in the five coun-tries in the foreign currency basket to which the shekel is pegged is running at 17 per cent. Government economists confess themselves puzzled and worried by the persistence of high inflation while there is little or no growth. The key question seems to

be to what extent the Government will control its own budget and push on with structural reforms. The record on the latter over the past few years is mixed.

The Government has steadily reduced its role as the chief borrower in the capital markets, but remains domi-

Subsidies for basic goods and import substitutes, both direct and disguised, have been reduced or eliminated in some areas, but public utilities, public transport and some basic foods remain subsidised or subject to price controls. The Government still spends 18 per cent of GNP - more than it now spends on defence - on social transfers through a system widely acknowledged to be riddled with inefficiencies. A privatisation programme remains more talked about than acted upon.

But if the record is mixed, there is at least a remarkable lack of ideological conflict between the two main parties. Mr Peres has been a leading exponent of liberalising the economy. Mr Amos Rubin, economic adviser to Mr Yitzhak Shamir, the Likud Prime Minister, says: "More and more people understand we should reduce intervention and let more freedom reign." The trick is to put theory into practice.

Malaysia moves to reassure bankers

By Lim Siong Hoon in Kuala Lumpur

MALAYSIA'S government has moved to pacify foreign banks concerned that they may lose any equity control to Malaysians despite a law requiring them to incorporate their branches locally.

Mr Daim Zainuddin, the Finance Minister, said on Wednesday: "The government has stated - and I now repeat that upon local incorpora-tion, the foreign banks will be allowed to retain 100 per cent

foreign ownership." Parliament passed the Bank-ing and Financial Institutions Act last month. Within five years, banking licences held by the 16 foreign banks in Malay-sia will automatically lapse. To renew their licences, the

law requires existing foreign bank branches to transfer their ties to a domestic company. This in effect turns the branches into subsidiaries of foreign institutions.

The law demands no equity restructuring in compliance with the ownership edict that calls for divestment to Malaysians, in particular a 30 per cent stake to Malays.

A change in their ownership

status could leave the banks vulnerable to more pressures to give up some future equity or management control, or give up the advantage of freer transnational movement of funds they enjoy over local

At present, foreign branches and local banks enjoy different privileges, such as minimum capital requirement, because their ownership status differs.

Kuala Lumpur, Singapore clash over US bases By Lim Siong Hoon

MALAYSIA and Singapore are

on a foreign policy collision course about whether Singapore should accept US military Singapore said last week it

might want to host some of the US naval and air military units now stationed at the Clark Air Base and the Subic Bay Naval Base in the Philippines. Two senior foreign Malay-

sian ministry officials have twice this week criticised the idea. Mr Ahmad Kamil, the foreign ministry secretary general, said Singapore's proposal was without logic. "Any proliferation of bases is against what we [the Association of South East Asian Nations] had set out to do," he said.
Tengku Ahmad Rithand-

deen, Malaysia's Defence Minister, yesterday said he told a visiting US Admiral that establishing a US base in Singapore or the use of military facilities in Singapore by the US could jeopardise efforts to establish a Zone of Peace, Freedom and Neutrality (Zopfan) in South East Asia Malaysia has invoked the

Asean-established principle of "Zopfan", conceived during the Vietnam war. This seeks, in part, to disengage the US and the Soviet Union from military involvement and interference in the region.

Hostage talks 'within days'

THE Iranian leadership suggested yesterday that indi-rect and informal talks between Tehran and Washing-ton over the Lebanese hostage crisis could begin within days, perhaps using Pakistan as an intermediary, writes Victor Mallet.
"Political observers...be-

lieve that in the next few days we should expect certain moves towards mediation, of course unofficially, said an editorial in the government-con-trolled Tehran Times. The newspaper-which is

close to the relatively prag-matic Foreign Ministry and to the newly-elected President. Hojatoleslam Ali Akbar Hashemi Rafsanjani - named Mr Sahabzada Yaqub Khan, Pakistani Foreign Minister, as a possible go-between. He is due to visit Tehran on August 16.

Like the US. Iran has rejected a straightforward exchange of Western hostages in Lebanon for Iranian assets frozen by the US, while hinting in private the two may be

"No-one takes very seriously the US rejection of a moneyfor-hostages deal because it was an American tradition to carry out certain strategic policies in secret," the Tehran Times said. The idea of some kind of

exchange involving the 17

Western hostages held by pro-Iranian groups in Lebanon was revived by Israel's kidnapping of a Shia Moslem leader in south Lebanon on July 28. One of the groups subsequently announced the murder of Lt-Col William Higgins, an American captive.

Peking graduates to be sent to countryside for re-education

By Peter Ellingsen in Peking CHINESE authorities, having

shipbuilding company is to be restructured to produce cars, drawn up a new hit list of political criminals, are broadtrucks and helicopters as well as ships, Reuter reports from ening the national re-education campaign by ordering that state-run work units send It said yesterday that in 1993 shipbuilding would account for only 30 per cent of Daewoo Shipbuilding and Heavy recent graduates of Peking's elite universities to the countryside to learn from the peas-Machinery's total business, antry.

against 96 per cent now.
"Instead, our company will take part in the production of In an attempt to stop the spread of liberal ideas, the Communist Party has already cut this year's intake of tersub-compact cars, trucks, heli-copters and heavy machinery." tiary students and directed The company said Trade Minister Han Seung-soo was that the college year begin with ideology taught by the People's Liberation Army briefed on the plan on Wednes-day when he visited the ship-(PLA), sources say. yard on the southern island of The new moves are seen as

evidence that both the propaganda campaign justifying the brutal crackdown on democ-racy protesters, and the indoc-trination drive to crush western influence, are meeting with passive, but stubborn, resis-tance from ordinary Chinese. Twenty categories of people

been identified, including 10 categories said to be guilty of "serious crimes" and in line for "heavy" penalties, while nine types are to be disciplined for lesser offences, and one group. officially tagged "the majority", is in need of re-education.

Serious offences include leading or organising protests, attacking troops, seizing weapons, harbouring fugitives and retaliating against police informants. Sources estimate that tens of thousands have been arrested following the army's attack on demonstrators in Peking two months ago.

Some Western observers esti-mate 3,000 civilians died in the onslaught, with thousands of others wounded.

By framing another hit list, the party seems to be extending the witch-hunt deep into work units that are the basis of Chinese society. Some categories in the list are believed to be so broad as to allow reprisals against anyone who took part in, or supported, the democracy marches.

But indications are that few people are willing to confess themselves, or turn anyone else in. Few people are said to believe the government's version of events and most are paying only lip service to the ideological campaign. Apart tance, there have been reports of isolated attacks on troops, though the official news media have yet to acknowledge any

The continuing resistance is said to be behind the party's reluctance to lift martial law, begun on May 20, and costing China millions in lost tourism dollars. The decision to dispatch graduates to the country, where they will work in rural schools and factories, echoes moves made after the last bout of student unrest in 1986, when similar pilgrimages were ordered to put China's bright-est youth in touch with "grass-

roots reality". Graduates will stay one year before returning to the city, and it is believed that the policy will be in place for at least four years. Some colleges resumed this month but most will begin the new year in September, when at least the first week will be spent studying the interpretation by Deng Xiaoping, the paramount leader, of the Tianannen trag-edy, which is officially called a counter-revolution".

PLA troops are expected to be involved in the re-education of the new intake, though what the largely uneducated soldiers will offer students is not clear. In an address from Wuhan day's Peoples' Daily, He Dongchang, vice-director of the State Education Commission, stressed the need for students to "integrate themselves with peasants". He urged strong action against "bourgeois liber-alisation" and warned: "The stricter we are on them [stu-dents], the faster they grow



taken by truck to execution in Canton on Wednesday

China to station troops in Hong Kong after 1997

A DELEGATION of Hong Kong citizens visiting Peking has been told that China intends to station People's Liberation Army troops in the territory after 1997, in spite of fears expressed by local people in the wake of June's bloody suppression of the democracy movement in China. Mr Li Hon, vice director of

rights.
The officials declined further comment, but Yonhap, the South-Korean news agency, said that under revised regula-tions, foreign banks would be the Hong Kong and Macao affairs office of Peking's state council and secretary general asked to report their transfer plans in advance and submit contract papers to the board of the basic law drafting committee, told Mr Li Lin-San,

chairman of the New Territories Association of Societies, a pro-Peking umbrella organisation, that under the terms of the joint declaration China was allowed to base troops in Hong Kong after it regains sovereignty over the territory in 1997, and that it intends to exercise this right.

The prospect of PLA soldiers being based in the colony was

one of the issues raised by the foreign affairs committee dur-ing its hearings on Hong Kong, and was cited by Sir Geoffrey Howe, the former British Foreign Secretary, as a big area of concern for Hong

Kong people.

The issue is likely to be raised by the British side at next month's meeting of the joint liaison group, which oversees progress towards the change of sovereignty, and will consider calls from the British side for China either not to station troops here at all, or only to maintain a token presence well away from

However Mr Jimmy McGregor, a Hong Kong legislative councillor, echoed a widely held view that China is emergency can be declared, and what the role of the PLA would be at such a time.

The consultation period on unlikely to give up its right to station troops here, and that their presence in the territory or just a short drive away over the border makes little practi-

stances under which a state of

cal difference. "I don't think it is an important issue," he said, and pointed instead to strengthen-ing safeguards in the Basic Law involving the circumcommittee will hammer out the final version for promulgation early next year.

the Basic Law, the mini-constitution which will govern Hong Kong after 1997 and which as the timetable for the introduction of greater democracy in the territory, has been extended until the end of October, after which a drafting

Mozambique rulers still unconvinced of rebels' legitimacy Only a return to economic prosperity will provide a chance of lasting peace, Nicholas Woodsworth reports

80 per cent of the country is

S exploratory peace talks between Mozam-bican church leaders and the head of the Mozambi can National Resistance, Mr Afonso Dhlakama, ended their third day in Nairobi, the Mozambican news agency reported the killing of 54 people in a village north-east of the capi-tal, Maputo.

The kidnap and slaughter of

civilians by an enemy the news agency identified as "armed bandits" typifies the shadowy and brutal nature of Mozambi-que's war, and underlines the opinion of observers in Nairobi that current talks hold little immediate prospect of ending the 13-year conflict. In recent weeks there have

been encouraging signs that leaders of Mozambique's leftwing Frelimo government ~ now being represented in Nat-robi by the country's churches and robels of the MNR were both moving towards direct negotiation.

that Frelimo form a joint gov-erament with the MNR, held national elections and make changes to the country's constitution, Mozambican Presi-cions in Maputo remain strong dent Josquim Chissano in July that South Africa continues to issued a set of 12 principles be involved in the supply of

upon which, he said, peace negotiations and an integra-tion of the MNR into national While he stipulated that

direct dialogue depended on the MNR renouncing all vio-lence. President Chissano insisted that he and the gov-ernment were ready to "wel-come our brothers back from the bush". Mr Dhlakama responded that he was willing to take part in negotiations mediated by Kenyan President Daniel Arap Moi and other African leaders.

Despite these verbal initiatives, however, progress towards ending a conflict that has resulted in the death of more than 600,000 Mozambicans and the paralysis of the economy is complicated by a number of unresolved political and economic problems.

One big hurdle to an internal

peace settlement is the con-tinuing Mozambican allegation of covert South African backin answer to rebel demands ing for the MNR. Despite assertions by Pretorie that it has not contravened a mutual nonaggression treaty signed by the two countries in 1984, suspi-



Chissano: ready to "welcome our brothers back from the bush"

These suspicions give tion. Until Frelimo is constrength to Frelimo's long-standing contention that the MNR has no legitimacy as the MNR has no legitimacy as

military hardware to the MNR. a domestic political organisa-

ment can only inhibit direct negotiations. The MNR claims to be a nationalist group, but its military nature and almost total lack of a coherent political programme will make it difficult to deal with on the level that national reconciliation would require. Supported by traditional

social and economic groups who felt themselves disenfranchised by Marxist rule at independence, and by ordinary Mozambican peasants whose chances of surviving starvation and rural chaos are enhanced by armed force, the MNR ideologically offers little beyond a virulent anti-communism. Given Frelimo's insistence that political accommodation can only come through constitutional change effected through Frelimo institutions, the MNR's lack of sophistication in its demands for power-sharing is not likely to aid the negotiation process.

At the military level, on the other hand, Frelimo is unable to bargain from a position of strength. It holds Mozambique's main cities, but rural areas everywhere are insecure. Its army is under-paid, underfed, and poorly equipped.

The MNR's claim to control

ously disrupt economic activity throughout the country make its military defeat unlikely. Given the MNR's relative freedom of guerrilla operation throughout the country, Frelimo is in no position to dictate the terms of peace. Economically, Frelimo has come a long way in accommo-dating the wishes of the MNR. in the past.

As policies of scientific socialism and centralised planning have over the years shown themselves incapable of reversing the economic decline caused by the war, Frelimo has undergone a transition from doctrinaire Marxism to a pragmatic, market-oriented form of socialism. In 1987 Mozambique

exaggerated: in very few areas does it have any structure of administration. Nonetheless, its proven ability to sabotage road and rail links and seri-

embarked on a classic, IMFsponsored programme of structural adjustment, and continues to the satisfaction of Western donors to implement measures to liberalise its economy. Frelimo has also broadened its base of support, opening party membership to businessmen, property owners,

religious leaders and other groups previously excluded. Nonetheless, the economic devastation wrought by the war has created hunger, hope-lessness, and dissatisfaction in many rural parts of the country. Three thousand schools and 800 health posts have been destroyed, 2m people have been driven from their homes, and almost half the population of 15m faces severe food shortages. It is the disaffection arising from such conditions that has given the MNR its support

Both Frelimo and the MNR leadership now find themselves after 13 years of war in a nowin situation, and may genu-inely prefer the alternatives offered by peace negotiations. Conditions have so deterio-rated in the countryside, how-ever, that many MNR rebels, to say nothing of desperate men who have joined in widespread lawlessness for the sake of survival, may find they prefer to continue life from behind the business end of a gun.

Whatever the outcome of the present initiatives, only a return to economic prosperity will give Mozambique a chance of comprehensive and lasting

An idea whose time has come

For 20 years the notion of an OECD for the Pacific Rim nations has been discussed. Now Australian Prime Minister Bob Hawke wants to turn the talk into reality. Robin Pauley, Asia Editor, introducing this FT special report, assesses his chances

should have some sort of mechanism which would enable us better to understand what was

happening in each economy. We would be able to best take advantage of the possible eco-

nomic complementarities of the different countries in the

region and also through closer

economic co-operation. And that way also to be a force within the world for arguing

the case for a freer interna

tional trading environment. Now, all those things seem

eminently sensible, non-threat-ening and possibly to be very useful."

Not every one is so sure. The first problem is the sensitivity of small countries to the politi-

cal and economic muscle of the big ones. Suspicions about the US (and to a lesser extent,

Japan) were evident in several countries, notably Malay-sia - so much so that Austra-

lia excluded the US and Can-

ada from the "core group" and only included them later. The

US was most displeased about

this early apparent snub but

has got over it and Mr James Baker, the US Secretary of

State, has recently not only given the idea his full support

but urged that it go further than trade and economics to

include cultural and natural

resource issues.
Indonesia, which is the big-

gest country by far in Asean

and will accept nothing that dilutes Asean's status, is patch-

ing up a long-standing dispute

with China but not to the

extent that it would want

China or any other socialist

THE Asia-Pacific region generates more than one-third of all world trade and for the remainder of this century is likely to be responsible for the creation of more than half of the world's economic output. Yet the region has no formal institution for finding out what is going on within the region's economies and therefore no way of knowing whether the benefits of economic co-operation are being maximised or

This lacuna has been discussed many times before in the last two decades and there have been lots of ideas about what to do. All have come to nothing. Either the proponents themselves were not clear about what they wanted or key players refused to join because they suspected the motives of others, especially if the idea

Came from Japan or the US.

Now the idea is up again, this time at the instigation of Mr Bob Hawke, the Australian Prime Minister. He thinks its time has come and that some form of co-operation which he loosely describes as a sort of Pacific OECD will be formed. He is working to secure agreement that an initial ministerial meeting to be held before the year end to discuss setting up a permanent secretariat. This meeting would be in Canberra in November and regional eco-nomics ministers would attend, on their way to the Pacific Economic Co-operation Conference (PECC)in New Zealand

But after a bout of initial enthusiasm the Australians are having some difficulty promoting their idea. They have, with increasing trouble, been persuading a core group of 10 nations to attend plus the US and Canada. The 10 are Austra-lia, New Zealand, Japan, South Korea and the six Asean nations of Thailand, Indonesia, Malaysia, Singapore, Philippines and Brunei.

The Asean countries are proving the most hesitant. They refused to endorse the Hawke idea fully at their annual foreign ministers' meeting last month. They will not commit themselves until they can see more clearly what it is really supposed to be and, more important, until they are sure it will not undermine the structure and nature of Asean. Their endorsement now seems most unlikely before the next meeting of Asean economic ministers in Brunei towards the end of the year and possibly too late to make the Canmeeting



Bob Hawke: region at pivotal point in history

Mr Hawke insists that his idea cannot compromise any existing structure like Asean or the South Pacific Forum because they are all essentially political or, like PECC, transient and lacking in a permanent secretariat.

Mr Hawke has argued that the vast resources of the Asia-Pacific region cannot be fully exploited unless nations work together to form a new organi-sation for economic co-operation. "The Asia-Pacific region is at a pivotal point in history. And the region is located at a pivotal point in the global economy. We should try to investigate whether through co-ordinated policy making we might better capitalise on the

economics of the region."

Creating a new, co-operative organisation among nations in the region would help them reach their economic potential. Serious cracks are appearing in the international trading system which have major implications for the future health of both our region and the world economy," he said, when he launched his idea in February in Seoul where he gained the immediate and enthusiastic support of President Roh Tae Woo.

He cited as examples the pressure from trade imbal-ances between Asian nations and the US, a trend toward protectionism and the forma-tion of regional trading blocs in Europe and elsewhere. He has also tried to define what the group should do: "We

economy included in a new group. So Australia's plan to expand the 12 to 15 by including the "three Chinas" - Taiwan, Hong Kong and China - looks doomed, particularly since international disgust with China is so great following the brutal suppresfollowing the brutal suppression of student demonstrations in Peking's Tiananmen Square

It also puts the suggestion of Senator Gareth Evans, Austra-lia's foreign minister, that the Soviet Union, and later Vict-nam, should be considered for membership firmly in abeyance. It is not easy to see how a genuine Asia-Pacific trade grouping could long rationally ignore other nations on the Pacific coast of the Americas. particularly Chile and Mexico. But they have not even been mooted and given the difficulties in getting the present lim-ited grouping agreed they are not likely to figure for some

Thailand and the Philippines agree with Indonesia's view that Asean must be central to any new group. But their sug-gestion that it would be better to proceed by expanding Asean's annual meetings to include the US. Canada, Australia, New Zealand and Japan will not please Mr Hawke.

He is trying to get a higher regional profile for Australia

and to pursue his campaign for free trade. Australia chairs the 14-nation Cairns group which has been exceptionally successful in identifying both short and long-term solutions in the agricultural sector of the cur-rent Uruguay Round of multi-lateral trade negotiations. But the Uruguay Round finishes in late 1990 and Mr Hawke is anxious to give all the free trade issues, not just agriculture, another big push quickly. The Asean dither is thus causing vexation in Canberra.

But here Australia also has a problem with its otherwise strongest supporter for the idea, Japan, which has itself previously put forward numerous proposals for more formal regional co-operation. The Minister of International Trade istry of International Trade and Industry has long made plain that no new grouping could hope to achieve co-operation if its main rationale is

And there is further problem facing Mr Hawke's initiative. The more he proclaims that it is not intended to be a trading bloc the more the feeling grows that it might become one later. Many believe that his idea

found a more receptive scho than its predecessors because of uncertainties about the future direction of US trade policy under increasing domestic pressure to be more protec-tionist and about whether the European single market after 1992 will make the EC a more closed trading bloc. Mr Hawke himself has been ambivalent. His idea should

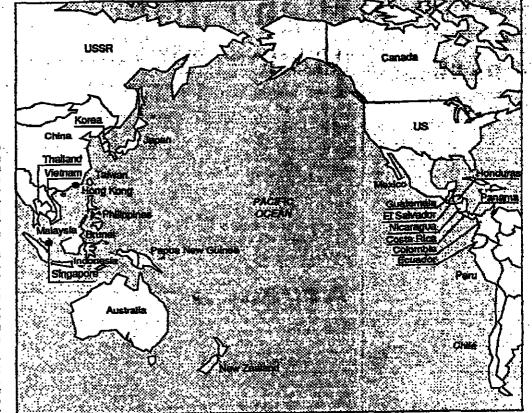
not be interpreted "as suggesting by code words the creation of a Pacific trading bloc," he said in Seoul. But he added that if a trading bloc became necessary in the future, the "building blocks" would be in And in Canberra last Octo-

ber he was quite specific: Pacific nations might form a trading bloc to rival Europe and North America if efforts to free world trade fail. He wanted to strengthen multilat-eral trade under the General Agreement on Tariffs and Trade. "For that reason we have not succumbed to any suggestions about detailed dis-cussions about blocs. But if agreement is not reached on free trade then we would have to look at the possibility of some association with others, including Japan. We are part of the fastest growing region in the world in the western Pacific. We would look at that," he said.

Some other countries are equally ambivalent. Datuk Abu Hassan Omar, Malaysia's for-eign minister, is strongly opposed to trading blocs and is withholding his full support from the Hawke initiative until he knows exactly what it is and is not. He has made plain his refusal to join any initia-tive that would "set in train the creation of a trading bloc." Rowever his cabinet colleague, Dr Lim Kheng Yaik, Minister of Primary Industries, has been equally forthright the opposite way: "South East Asian countries will be forced to form their own trading bloc linked with Japan, if the US and the EC persist with protectionist policies. I would prefer multilateral trade rather than trad-ing blocs. But the US and the European Community are pushing other countries

The nations of the Asia Pacific have spent 20 years dis-cussing whether to form an OECD-type organisation. It is becoming clear why Mr Hawke may need a lot of Australia's famed luck if it is not to take as long again.

towards forming blocs," he



Australians take closer interest in neighbours

By Chris Sherwell in Sydney

THERE is a curious dichotomy about current Australian attitudes to the Asia-Pacific region. The government believes that that is where the country's economic future lies. But business appears to be interested chiefly in Britain and the US.

The contrast, though clear. is deceptive. For one thing, Mr Bob Hawke, the Prime Minister, who launched his Pacific co-operation initiative earlier this year, has stressed that it is not being pursued at the expense of Australia's more traditional relations with Europe or the US.

Likewise, Australian companies are readily investing in the Asia-Pacific region to take advantage of its self-evident potential. Just as important, the country's trading relationships with the area are growing all the time. Australia's trade with the western Pacific accounts for helf its total trade and half its total trade, and two-thirds if North America is

In investment, half of the total foreign investment in Australia originates from the Asia-Pacific, and almost 60 per. cent of its own investment overseas is located in the

region.
Isolation and self-reliance are simply not long-term options for Australia, and Mr Hawke's proposal, unveiled in Seoul last January, aims to promote the conditions which have made the region the fastest growing in the world.

The proposal is hardly new: it does little more than draw together various strands of thought about regional economic co-operation which have been around for years. But it has been singularly

well-timed.
According to Senator Gareth Evans, Australia's Foreign Minister, existing networks of co-operation — Asean, the Pacific Economic Co-operation Conference (PECC) and the Pacific Basin Economic there is an acceptance "that a more formal arrangement for intergovernmental consultation is required; that its focus should be exclusively economic; that it should have some modest institutional support; and that a ministerial level meeting toward the end of the year would be the appropriate way to launch the

That meeting is now set to take place in Canberra in

For Australia, the operation holds specific economic-attractions: further progress towards internationalisation. closer contact with the world's fastest-growing region, and wider two-way trade and investment access. Politically it enhances Australia's position on the international iplomatic stage.

"We do not seek to hide our hope that the initiative will bring economic returns to Australia," Senator Evans says. "But we also believe that there is something in it for everyone." Those benefits include closer regional co-operation, stronger collective influence, and easier resolution of future trading

In promoting the concept, Australia has been at pains to point out that the grouping is not to be a talking shop, will not have a giant new regional bureaucracy, and is not intended to displace any existing institution.

Above all, it is not to become an Asia-Pacific trading bloc the aim is to strengthen the multilateral trading system. But whether the group's members will avoid any of this-

is another matter. The grouping will initially depend on PECC for the kind of analytical work which distinguishes the OECD. But it is questionable whether that arrangement will last.

Cynics think a bureaucracy is enavoidable, and experience supports them. Worse still, no one doubts that, if the Gatt system really did break down, this grouping would be the obvious fall-back for an

Mixed views among the key Asean countries

By Peter Ungphakorn in Bangkok

ADVOCATES OF Pacific Rim economic co-operation say the participation of south-east Asian countries is vital if the co-operation is to have any

space. But the six members of the Association of South East Asian Nations (Asean) have mixed feelings. They have hardly started to discuss the issue within their own countries, let alone to adopt a common position.

For Assen, having a common position is important. For 10 years the Association's unity has been comented by two issues: opposition to the Vietnamese occupation of Cambodia, by far the dominant issue, and adopting common positions on economic and trade relations with the rest of the world. Economic co-operation within Asean has been minimal although there are signs it might be increas-

With a Cambodian settlement in prospect, Asean is beginning to look for other areas of common interest. Its members, Thalland, Singa-pure, the Philippines, Malay-sia, Indonesia and Brunei are worried by moves towards protectionism around the world. The Bawke campaign thus comes at a crucial time.

But some observers wonder if the proposed group of 12 could, co-operate on anything substantial. For example, the Cairns Group, which includes Australia, New Zealand, Can-ada and four Asean countries, shares a common antagonism towards the farm subsidies of the US and EC.

It is difficult to see how the Asian countries could reach agreement with the US and Japan on this or any other major issue being negotiated in the Uruguay Round. South Korea and Thailand, for example, are on the US "priority watch list" for possible retaliation against infringements of intellectual property rights and other alleged unfair trade

In order to sweeten the terms for Asean, it is proposed to use existing Asean institutions, particularly the regular meetings Asean holds with its major trading partners.

That appears to be the mini-min acceptable conditions for Asean's members, who are Asean's members, who are afraid their association could fade into the background.
But it might not be enough. Singapore's Foreign Minister, Wong Kan Seng, for example, is said to oppose anything other than a consultative groun.

Indonesia is traditionally

more reluctant to discuss economic co-operation than its neighbours. And the Malay-sian Foreign Ministry is said to be less keen on the idea than the Trade and Industry

Ministry.
Furthermore some That officials argue that setting up a regional group at this stage could worsen distrust among non-members such as the EC and damage the chances of meaningful agreements being reached in the Uruguay Round next year, although the official That position, when it emerges, need not necessarily take this view.

Thailand is at least more willing than some of its point.

willing than some of its neigh-bours to co-host with Austra-lia a meeting of officials in Bangkok in mid-September to prepare for the ministerial meeting in November in Canberra. Invitations have also been sent out from Bangkok for Asean economic ministers to hold their annual meeting ahead of schedule on September 11 and 12

Nothing is definite yet, but the proposed schedules would at least allow Asean to work out some form of consensus before talking to the other par-

US sees political and trade benefits in Hawke initiative

By Lionel Barber in Washington

THE Bush administration is devoting increasing attention to Asia and the emerging Pacific Rim Initiative.

In part, this stems from the view of the world shared by President George Bush and Mr James Baker, US Secretary of State: that the long-term security of the US does not simply depend on military hardware, but also on the promotion of pluralist, free-market values in other countries.

This is particularly true of east Asia. As Mr Baker pointed out in a speech to the Japan Society last June, US trade with east Asia has doubled since 1982. In 1988, America's trans-Pacific trade totalled \$271bn, far more than its trans-Atlantic commerce which last year amounted to \$186bn.

The speech - which sig-nalled the administration's readiness to join Australia's efforts to promote a Pacific Rim initiative - also pointed out that eight of the US's top export markets are now in the Pacific. The US has a view of the world which encompasses more than just the old East-West rivalries, says one senior administration official, "The Pacific region is very important for growth and for move-ment towards pluralist political systems and institutions."

At the same time, the US sees the Pacific Rim idea as a means of easing Asian fears of American withdrawal in the face of increasing economic competition abroad and domestic budgetary constraints at home. Though the "America in Decline" thesis is overstated. senior officials recognise that it continues to be "symboli-cally sensitive" in Asia (not least because countries such as Singapore and Thailand continue to want and need Ameri-

On a more practical point, the Bush administration sees the Pacific Rim as a further means of managing its relationship with Japan in a constructive multilatoral forum or can investment). structive multilateral forum, as opposed to more blunt unilateral mechanisms such as the Super 301 provision under the

Omnibus Trade Act. Developing the multilateral

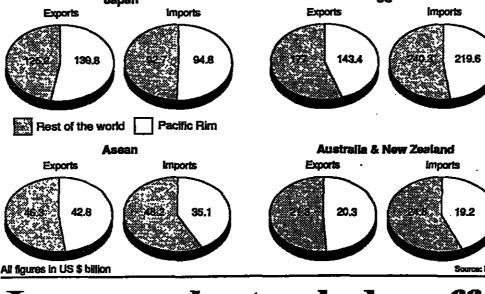
theme, US officials say they would look favourably on efforts by the Pacific Rim coun tries to speak with one voice on global negotiations such as the Uruguay Round on Gatt. This should not, they say, be interpreted as a move towards economic trading blocs; on the other hand, it would send a signal to the European Community moving toward a single market in 1992 that other nations in important regions want progress towards open

So much for the theory, what about the practical efforts to get things moving? US officials say they are anxious not to push the Asean countries too hard, preferring to let Austra-lia take the lead role. "There is no rush," said a senior official, talking about a lead time which may well stretch into a prospective President Bush's second term, "we want to let this important idea develop

In his Japan Society speech, Mr Baker said the "Pan-Pacific partnership" should incorporate not only trade and economic issues - such as regional communications and transport - but also environ-mental and cultural matters. The forum could be modelled a little like the Group of Seven industrialised meetings, but

with a small secretariat to pro-vide economic analysis. Mr Baker also added that the forum should recognise diver-sity - a signal that the US wants wide membership. At the moment, partly because of the upheaval in China, the prospective members would not include the People's Republic, Taiwan or Hong Kong. But one US official cautioned that this position could change, longer-

In the last resort, the Bush administration is also trying to mould its emerging Asia policy to domestic political circumstances such as the Democratic majority in the US Congress and the temptation to follow mercantilist/protectionist political leaders typified by Con-gressman Richard Gephardt of Missouri, the new House majority leader.



Trade and the Pacific Rim nations All figures in US \$ billion

Council - are no longer meeting the requirement for a broad regional dialogue at government level. Following consultations on the Hawke proposal, he says, Japan seeks to shake off imperial legacy

By Stefan Wagstyl in Tokyo FOR Japan, Asia-Pacific co-operation is an old idea whose time has finally come.

It was clear as early as the 1960s that the rapid economic growth of the region, powered by Japan, would eventually stimulate huge flows of trade and investment, as well as exchanges in people, technology and ideas.

But the debate on inter-gov-ernment co-operation has moved slowly because the obstacles are as large as the opportunities. The sheer diversity of the region makes the development of common inter-ests difficult. The countries vary greatly in size, climate, and level of economic development. History divides rather than unites, so does culture. For Japan the biggest burden has been convincing other countries in the region that as an economic superpower it does not seek domination. Memories of the wartime Greater Asia Co-Prosperity Sphere run deep. Japan has been reluctant to be the primemover in promoting co-opera-tion, preferring to let other

countries make the running. The Ministry for Foreign Affairs, which puts political interests first, still remains suspicious about the whole idea in contrast to the Ministry for International Trade and Industry, which believes co-operation will ultimately boost Japan's economic performance.

In the past year MITI has gained the upper hand in the argument because of the willigness of other countries to support co-operation plans. It welcomed the initiative Australia has taken in proposing a conference in Canberra. The ministry was glad too that Mr James Baker, the US Secretary of State, gave a

strong endorsement to co-operation talks. The scale of regional economic exchanges has reached the point at which, in the words of a MITI report, "Asian-Pacific co-operation is an inevitable development of

economic growth. "
Economic inter-dependency is already a fact of life. MITI estimates that in 1987 intra-regional trade accounted for 63 per cent of the member coun-tries' trade, as against 58 per cent for the EC. (It should be said MTTI uses a very broad definition of the region, taking in the Asean countries plus Taiwan, Hong Kong, and South Korea, as well as China, Japan, the US, Canada, Australia and

New Zealand). Within the Asia-Pacific region, the closest new eco-nomic ties are being formed between Japan and Asian countries. The US remains the biggest export market for most countries but Japan is rapidly catching up. Japan already exports far more to the region than does the US. According to

the International Monetary Fund, trade between Japan and North America rose 11 times ween 1970 and last year to \$146bn. Japanese trade between the newly industrialising countries (Korea, Taiwan, Singapore and Hong Kong) increased about 20 times to \$70bn. Trade between Japan and Asean rose about 14-fold to

Japan overtook the US as the largest foreign investor in the region in 1986. In the year to last March Japanese investment in Asia totalled \$5.6bn. Its cumulative investment is likely to exceed that of the US in the mid-1990s.

It might seem natural that these powerful economic forces should be driving Japan into closer economic co-operation with its fast-growing Asian neighbours. However, nothing could be further from the truth. For one thing, memories of the Japanese occupation are particularly bitter in South Korea and Taiwan, For another a small grouping might threaten to overshadow Asean. Asean countries have warned Japan that they would resent any attempt to usurp the role of their organisation. The US and Japan value Asean's pro-Western stance too highly to risk disturbing what is recog-nised as one of the most successful Third World regional

Above all, Japan does not

want any grouping to turn into a trading bloc. MITI dislikes the expression "yen bloc," It insists that any co-operation agreement should have free trade as its prime objective. Japan, as well as South Korea, Taiwan, Singapore and Hong Kong, live by their exports - they want the co-operation club to be as big as possible, to create the widest forum for ironing out frictions caused by their trade successes, espe-cially vis-a-vis the US. Mr

Saburo Okita, a former foreign minister, says: "We can't be seen to be ganging up." Mr Okita adds that the Asia-Pacific region should set an example to discourage the **Buropean Community and the** US from adopting protectionist

As a result, Japan favours a loose, widely-based Asian-Pacific route to economic co-operation. A MITI official says: "We have to move very slowly and very cautiously." MIT would like to see ministerial conferences developing into annual events. But it is opposed to the establishment of a permanent secretariat. It believes the necessary work can be done by individual governments.
This sounds nebulous. How-

ever, MITI does have some specific projects in mind for discussion in Canberra: • Further expansion of trade: MITI believes the region could take concerted action at the

Uruguay Round of the Gatt. Japan could boost imports from the region through the Japan External Trade Organisation (JETRO). Education: Japan could sup-

ply money and staff for technology training centres and research and development cen- Communications: a pan-Asian satellite project. • Energy: joint development of

energy schemes, including electricity, coal and gas. Economic leadership: the US, Canada, Australia, New Zealand and Japan could speak for the region at the OECD and at Economic Summits. Others: consolidation of regional economic statistics; a trade fair, a "modern cultural and industrial festival of Asia."

For Japan, the ultimate aim of this style of co-operation will be to improve its relations with its Asian-Pacific neighbours. This should smooth the way for its sometimes over aggressive corporations to operate profitably in the region. It will also give an outlet for those Japanese who see their country's role in the world as more than just making money. Some Japanese officials believe the age is past when one country could expand its influence around the world in the all-ambracing independent way that Britain or the US once did. Cooperation might be an alterna-



AMERICAN NEWS

Anti-trust probe of top colleges

By Lionel Barber in Washington

THE US Justice Department is investigating whether elite universities and colleges are collaborating on fixing tultion fees and financial aid, in violation of anti-trust laws.

The probe covers such august institutions as Harvard University, Tufts, the University of Chicago and Colby College in Maine. It homes in on the long-standing practice by which colleges agree to offer almost identical financial aid to students accepted at more

than one school. College costs continue to outpace inflation, as they have done during the past eight years. Some elite schools charge more than \$20,000 a year for room, board and unition. Harvard (\$18,880) and Yale (\$19,810) are not far

These gross fees are offset, however, by scholarships and other aid according to applicants' ability to pay. Such aid packages could amount to as much as \$8,000, and colleges are increasingly assuming the burden because of federal curs. The aid is likely to be roughly the same among the top schools because, each year, in a practice going back 30 years, financial officers from more than 20 east coast institu-

Willie's

100 mg 10

tions gather to agree general The elite colleges defend this practice on the grounds that it prevents a bidding war among schools competing for desirable students, and enables the student to choose a college on academic grounds alone. The practice has been openly discussed and reported in the press.

Educational institutions in

more than 20 east coast institu

the US are exempt from some provisions of the anti-trust laws, but agreements to set similar levels of tultion and financial aid could constitute unfair restraint of trade, some legal experts believe.

Gunman kills two in California

A LONE gumman believed by police to be a disgrantled employee shot two staff members and wounder another in a post office in this southern Cal-ifornia town on Thursday and wounded another before shooting himself in the head, Renter reports from Escondido, Calif-ornia.

Mark Ippolito said a woman was found dead at the guard man's residence. "What we appear to have is

Escondido Police Captain.

Argentine deputies back Menem economic package

ARGENTINA'S Congressional onist party will try to water deputies have approved in general terms President Carlos far-reaching changes proposed. Menem's Economic Emergency Bill, which would give his government wide powers to cut state subsidies to industry and to privatise almost all the pub-

However, the lower house of Congress will now proceed to debate each of the 70 articles of the bill, and it is expected that both opposition politicians and many of Mr Menem's own Per-

The bill is not expected to gain final approval - even in its altered form - until the

end of next week. Meanwhile figures released yesterday showed the country's gross domestic product (GDP) feil by 3.1 per cent in 1988 from the previous year. The last quarter of 1988 showed an accelerating deterioper cent on an annualised basis, marking the start of an serious industrial recession still in place today. There was a 7 per cent drop

in industrial production and a 14.5 per cent decline in construction in 1988. One of the few positive figures for last year - a 4.9 per cent increase in electricity, gas and water consumption - is one indicator of the continued relative health of Argentina's thriving

Argentines ask for amnesty

ration, with GDP falling by 7.2

By Gary Mead

THE PROSPECT of an Mestor Rapanelli, former imminent annesty for all those involved in the Argentine internal violence of the 1979s has advanced, following remarks made by one of its sible for President Carlos most prominent victims. Mestor Rapanelli, former vice-president of his multi-national company, Bunge and Born, is now Economy Minister and the figure most responses to the prominent victims.

most prominent victims, Mr
Jorge Born.
He is a leading Argentine
businessman who was kidnapped in 1974 by guerrillas of
the nationalist Montoneros, followers of the late General Juan Perón. He was released after delivery of a \$60m ransom.

Mr Born has called for a

complete amnesty for both sides in the conflict. This would be for Montoneros, and for the military who suppressed activists and were responsible for the disappearance of thousands of people.

The businessman's appeal has added weight in that Mr problem being to find a formula to satisfy all parties and irritate as few as possible.

Menem's drive to rectify Argentina's dismal economy.

The new chief of the air force, Brigadier José Antonio Julia, has added his support to

the amnesty call. In a press interview yester-day, he said: "It is absolutely necessary" to put an end to the matter, though, "the timing [of an amnesty] is a political deci-

Since Mr Menem took office on July 8, speculation has increased that such an amnesty was near, the only

One of the most vociferous proponents of an amnesty for the military - though not for failed guerrillas — is that sec-tion of the army loyal to Colo-nels Aldo Rico and Mohamed Ali Seineldin, the first of whom staged two insurrections (April 1987 and January 1988) and the second the most serious rebellion in recent years, in Decem-

Their position has been in doubt for months. Mr Italo Luder, Defence Minister, said this week they "will have to

retire" from the army.
However, it is clear that, if they are retired, they and senior officers in sympathy with them will expect them to be given other official posts commensurate with their

Fresh hope as search for congressman continues

THE US embassy said yesterday an American weather satellite had picked up what could be a distress signal from the missing aircraft of US congressman Mr Mickey Leland, Reuter reports from Addis Ababa.

Ethiopian aviation officials said pilots searching for the Twin Otter aircraft would begin flights over the remote mountain region in the prov-

mountain region in the prov-ince of Bale, southern Ethio-pia, where the aignal was picked up.

The area is at least 200km south of the flight path the air-craft was thought to be follow-ing when it disappeared on

Monday.

An Ethiopian official said
the Government had received
reports from people in Bale
suggesting that an aircraft had went out to the post office." - not confirm the reports.

He said he did not know whether Congressman Leland and the 13 other people on his flight were alive or not. The US embassy spokesman said American experts could

not definitely say whether or not the signal picked up by the satellite was from the missing Mr Leland, 44, chairman of the House of Representatives select committee on hunger, had been visiting a refugee camp at Funido, in the west-

ernmost part of Ethiopia.
Ethiopian President Mengistu Halle Mariam has said his Government will not abandon the search until the Congressman's aircraft is found.
Twelve Ethiopian aircraft and two US C-130 transports have been involved in the search, which has continued avy rain falls and details on the satellite.

Military officials confirm satellite

US military officials broke silence to confirm the succes ful deployment of a powerful spy satellite from the space shuttle Columbia as five astronauts spent their third day in orbit, Reuter reports from

"The United States now has a satellite in orbit as a result of a very successful launch," Air Force Secretary Mr Donald Rice said late on Wednesday at MacDill Air Force Base in

Tampa, Florida Nasa would confirm only hasa would confirm only that the orbiter, which took off on Tuesday from Cape Canaveral, was still circling the earth and performing well. "There are no problems and the crew is doing fine," Nasa spokeswoman Ms Linda Copley said. "We don't expect to have any syntames ments until 24 hours." amouncements until 24 hours before touchdown."

Mr Rice declined to provide

Five hands point to contras' exit

Tim Coone examines the Central American peace accord

Central American his-tory was written at the Honduran town of Tela this week. As a result of the accord signed there, all the principal armed conflicts in one of the world's political tinderboxes are being defused. The familiat landscape of guerrilla wars and counter-insurgency campaigns, diplomatic polarisation and political repression may be about to change.

Two years after the landmark Esquipulas II agreement set the regional peace process in motion, five Central Ameri-can presidents signed an accord which, within 120 days, is to put an end to the US-backed Nicaraguan contra rebels as a military and political organisation.

Also, the left-wing Fall N

guerrillas in El Salvador are being "vehemently" urged to call an immediate ceasefire, to negotiate with the government of President Alfredo Cristiani, and to reincorporate them-selves into civilian life. A similar call is being made to the Marxist guerrillas in Gua-

For Nicaragua's left-wing government, which has unre-servedly backed all these declaserveily backed all these declarations, the Tela accord is a big step forward. Careful diplomacy has succeeded in inverting Managua's political isolation in the region, turning the clock back to the early 1966s; before regional polarisation began. It was the Sandinistas' acceptance of broad-based political pluralism at home, including an antagonistic right wing, that won this peace

1. 2.

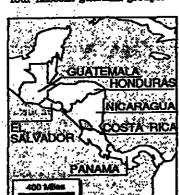
Much of the groundwork was done at the last Central American summit. With elections set for February in Nicaragua, President Daniel Ortega promised political reforms. In return, the other four president control to clausers with dents agreed to elaborate with him a plan for the demobilisation, repatriation or voluntary relocation of the contras – the Nicaraguan Resistance (RN) – and their families, in exchange for support from

the internal opposition for this proposal, the Nicaraguan gov-ermment made further substan-tial concessions. Last Friday, an agreement with 20 opposi-tion parties, calling for temo-

NEW chapter in bilisation, left the contras with-central American this out organised internal political tory was written at the support for continued armed

struggle.

The settlement thus sets a precedent for the rest of the region, and shifts the political focus from Nicaragua to El Salvador and Guatemala. Their governments will have to implement democratic reforms if they wish to reach negoti-ated settlements and disarma-ment of their local guerrilla movements. Honduras also needs reforms and a change of thinking to frustrate three or four nascent guerrilla groups.



This political change would open huge opportunities. Nicaragua's next objective will be to try to open the political space in the rest of Central America for the left to make a democratic challenge for power, and for the guerrilla movements to return to civil-

In this changed landscape, the US will move very warily. Washington's main instrument of policy - the contras seems to have been removed from the political equation by the Tela accord. The key US allies in the region - Hondu-ras, El Salvador and Guatemala - all voted to disband the rebels, by force if neces-sary, before Nicaragua's election. This was despite last-min-ute pleas from the White

The US has put a brave face on all of this. Washington will argue that it was only through pressure from the contras that the Sandinistas abandoned a more authoritarian political on the guarantees for our model, and that therefore the return. We are prepared to

consolidation of a democratic political system in Nicaragua has been a US foreign policy

The fact that Nicaragua committed itself, at Tela, to support an immediate ceasefire and a political solution in El Salvador will also be regarded as a success. In the early 1980s, the Sandinistas were encouraging the FMLN to overthrow the alvadorean government. Without the contras, though,

Washington's methods of putting pressure on Managua will have to change, and potential European aid donors will return to Nicaragua if the conditions are acceptable. If we go we shall all go together."

The ISVC has been man-

dated by the five presidents to monitor Nicaraguan internal politics, and to report on any abuses against the returning contras. Provision is also being made for economic support of the estimated 60,000 Nicaraguan contras and refugees liv-ing in Honduras for relocation in Nicaragua or to third coun-

Direct talks on details between the Sandinista government and the RN are expected

THE TELA AGREEMENT Signed on August 7 in Tela, Honduras by the Presidents of Icaragua, El Salvador, Honduras, Costa Rice and Gustemala

The Nicaraguan contra rebels are to begin demobilizing within 30 days. Resettlement of the contras and their dependents is to be completed within another 90 days Honduras will no longer allow its territory to be used by

rebel forces fighting another government
Nicaragua will drop its case in the World Court against
Honduras protesting at the presence of contra forces
The United Nations will be asked to provide mechanisms to

representations will be asked to provide mechanisms to verify the demobilization and end of hostilities.

Lefter rebels in El Salvador are asked to give up their fight and "initiate dialogue" with the Salvadorean government. The five nations will co-operate in the fight against drug trafficking and use.

The five presidents agreed to meet in Nicaragus before the end of the year

become the targets of more intensive US lobbying. Also, the US is now expected to focus increasingly on ensuring that the Nicaraguan elections are free and fair, and on guarantees of safety for rebels returning to Nicaragua.
The demobilisation, reloca-

tion or repatriation of the contras is the main challenge to the Tela accord. Senior contra leaders have refused to demobilise their troops on the given timetable. So a delicate task lies ahead for the International Support and Verification Commission (ISVC), to be established by September 8 with input from the UN and the Organisation of American States, to convince the contras that there is now no other way

The Nicaraguan government has to keep sending positive signals. Comandante Johnson, so-called, the contra spokes-man in Tegucigalpa, said: "Demobilisation now depends to start in September. Comandante Johnson said, however, that these would probably be with the field commanders, "not the political leaders, as the combatants are the ones who will be returning to Nicaragua to live again in the

Some will wish to continue the fight and resist demobilisation. General Joaquín Cuadra, Nicaragua's Deputy Defence Minister, was emphatic about what would happen if such intransigent contras were to try to re-enter Nicaragua: "We shall finish them off."

If they try to stay in Honduras after the December deadline for demobilisation, the Honduran army has an obligation to force them from Hon-duran territory. Whether it will remains an unknown. In one of his more biting comments at the Tels summit, though, President Ortega was heard to say: "The Honduran army is not just for parades."

At least 100 killed in Mexican train plunge

At least 100 people are estimated to have been killed, and more than 500 injured when a Mexican train plunged when a swollen river on Wednesday, Richard Johns writes from Mexico City. The Star of the West

passenger train from Guadalajara to Mexicali left the rails and fell into the River San Rafael, in the north-west of Mexico.

of Mexico.

Mexican national railways said yesterday that the probable cause of the accident was the undermining of the bridge supports after heavy rains in the region which, by way of irony, had been suffering severe drought until recently. recently.

recently.

An exact count of the dead was not immediately possible because two of the 11 passenger carrriages fell 100 feet into the deepest waters.

Even in this most accident-prone region of the country, where many a bus has plunged into ravines and killed passengers, the sense of shock has been profound.

The accident is a serious setback for the railway system, whose service has considerably improved in

considerably improved in recent years. Railway officials estimated that the cost of the disaster would amount to nearly £500,000.

President Carlos Salinas de Gortari sent his "most sincere condolences to the relatives of the dead in this most lamentable tragedy."

He ordered the railways to pay for all funeral, medical

care and first-aid expenses. Troops seal off

Panamanian base

US troops sealed off the Fort Amador military base for two hours (above) on Wednesday and detained two Panamanian soldiers, after Panamanian forces had arrested two US ser-vicemen, Lionel Barber reports from Washington

from Washington. The tension between US and Panamanian troops at a Pan-ama City military base this week may signal further confrontation in the next few weeks, US officials believe. The incidents followed the

detention of 29 Panamanians for 75 minutes, they having entered the jointly run base without permission. Tension has been rising since General Manuel Noriega, Panama's military ruler, annulled general elections last

tougher approach recently by installing General Maxwell Thurman as commander of the 12,600-strong US Southern Command in Panama.

Case against Northrop dismissed

Northrop, the US aerospace company, said on Wednesday that a federal court had dismissed a \$3m (£1.9m) lawsuit brought by the government against the company two years ago, AP-DJ reports from Los

Angeles.
In the suit, Northrop said, the government had made several allegations involving the guidance system which the company builds for the MX missile. The government's charges against the company's electronics systems division. electronics systems division had included fraud and viola-tions of the False Claims Act in the testing of a heat exchanger component of the guidance unit.

After a two-year investigation, the case was "dismissed with prejudice" in federal court last week, meaning it cannot be reopened, Northrop

Chicago traders admit abuses

Two traders in the Chicago Mercantile Exchange's Swiss franc futures pit pleaded guilty yesterday to trading abuse uncovered in the FBI's inquiry into Chicago's mar-kets, Deborah Hargreaves reports from Chicago.

Their move follows the not-

guilty pleas made by 12 traders from the CME's yen futures pit on Wednesday. Indictments alleging fraudulent trading in Chicago's

futures markets were handed down to 46 traders last week.

Military officials confirm satellite US military officials broke

silence to confirm the success ful deployment of a powerful spy satellite from the space shuttle Columbia as five astro-nauts spent their third day in orbit, Reuter reports from "The United States now has

a satellite in orbit as a result of a very successful launch," Air Force Secretary Mr Donald Rice said late on Wednesday at from rags to riches. MacDill Air Force Base in Tampa, Florida. Nasa confirmed the orbiter

was still circling the earth.

WORLD TRADE NEWS

Australia set to award £2.3bn defence contract

By Chris Sherwell in Sydney

AUSTRALIA is about to award its largest single defence indus-try contract — to build at least eight, and up to 12, light patrol frigates.

The contract worth A\$5bn (£2.3bn), and first proposed two-and-a-half years ago, is part of a large array of Australian hardware purchases under the Labor Government's defence policy of self-reliance within a network of alliances. Other acquisitions so far include four squadrons of F 18 fighters, a clutch of Sikorsky Sea Hawk helicopters and six diesel-powered submarines worth A\$2.6bn. Sophisticated ground radar and airborne

reconnaissance systems are high on the list.

The tender has produced not only an epic fight between the West Meko 200 frigate from Blohm and Voss and the Dutch M Class ship from Royal Schelde, it has intensified competition between two older rivals – Victoria and New South Wales.

If that were not complicated enough, there is more. The size and unit cost of the deal also depends on New Zealand tak-ing four of the ships. Wellington, however, is involved in its own internal wrangle over the plan, which has the ruling Labour Party there in turmoil Should it decide not to par-ticipate, the strategic implications would be serious. New Zealand would confirm its drift from its traditional alliances. Canberra would nevertheles press ahead with an eight-ship deal worth A\$3.6bn - which is

remains the contract itself. Because much of the value of construction comprises tech-nology-based activities rather than simple shipbuilding, it

why the immediate focus



Beazley: will choose between Dutch and German tenders.

represents a base for further industrial development as well an opportunity to secure several thousand jobs. As a result, the pressures from the two competing consortia have been strongly reinforced by the Victorian and New South Wales

Mr Kim Beazley, the Defence Minister, is bringing the choice before Cabinet next week, and the marginal favourite is the West German consortium, which is based at the Williamstown dockyard near Mel-bourne. Blohm and Voss's local partner is the Transfield con-

Over the past two years Transfield has taken full control of the newly-privatised Williamstown yard and of the other key consortium partici-pants, which included the local

companies Egio Engineering, Australian Shipbuilding Industries and ICAL. New Zealand is represented through Cable

Price Downer.
The group has also struck an agreement with the local trade unions and rationalised the yard's operations. Most signifi-cantly, it is using its current contract for two smaller Australian Navy patrol ships to try out an attractive modular construction method which would allow work on the frigates to

be spread to other yards.

Its Dutch rival has responded to this by saying it can also split the work, but at a premium rather than to save costs, and on a smaller scale than the West German team will manage. Based in Newcas-tle, New South Wales, the Dutch consortium includes carrington Slipway, the local shipbuilding company, the electronics group AWA, and TNT, the transport giant. New Zealand involvement is through McConnell Dowall.

Its most important advantage is that its M Class frigate is the marginal preference of the Australian Navy. But its strongest claim is nakedly political, and is being pushed by both the Liberal party state government and the Labor opposition. They say Newcastle is a depressed town in desperate need of jobs, and that its people will vote against the Labor Government at federal level if the town does not get

the project.
As for New Zealand, the roblem is just as political. The Labour parliamentary caucus is against the project. Mr Geoffrey Palmer, successor to David Lange, is reluctant go against caucus despite heavy pressure from Canberra.

Africa is seen as priority for US plan to swap debt for aid

By Nancy Dunne in Washington

THE announcement last week of a \$3m (£1.87m) debt-for-nature swap for Madagascar signals the beginnings of broader involvement by the US foreign aid agency which will allow the US to leverage its declining resources for debtor country development projects.

In last week's transaction, seven commercial banks from five countries, led by Bankers Trust Company, participated in the swap with the Agency for International Development (AID), underwriting up to \$1m

of the funding costs.

The swap was part of the agency's debt-for-development programme launched last year and soon to be followed by other initiatives to "turn rocks into gold," according to Mr Richard Bissell, the agency's assistant administrator for programme and policy coordination. The agency was involved in two previous small debt-for-

and the Philippines.

It is working with the private Debt for Development Coalition in Washington to foster other projects in countries which have been forced by the which have been forced by the constraints of their debt to cut back on social development efforts. Mr Jack Ross, director

of the coalition, said two projects are now in the works. One would provide low-cost housing; the other, being nego-tiated with an East Coast regional bank would set up an education programme.

American colleges and universities, co-operatives, private voluntary organisations and research institutes engaged in economic development pronon-government organisations in debtor countries to identify potential programmes in the areas of education, public health, nutrition, agriculture, small business enterprises, research, housing, credit and natural resource management.

"We've been warming up on this," Mr Bissell said, since a 1987 tax ruling made it desirable for US commercial banks to donate or sell heavily dis-counted debt for swaps. Many future projects are likely to be in Africa where the banks are "very sensitive to looming eco-

logical tragedies." The squeeze imposed by the US budget deficit has cut sharply into US foreign aid funds, which dropped from a total \$20bn in 1985 to \$14bn last year. Only \$5bn of the latter

was non-food, non-military aid, and the agency has moved away from most of the costly infrastructure projects it once helped to fund.

The debt-for-development projects are expected to be small enough for US aid money to make a significant impact. "What you can do with a couple of million dollars in Mada-gascar or Luanda or the Ivory

Coalition has identified four methods to use foreign debt in

 Non-profit groups purchasing secondary market debt and converting them to local currencies; resources could then be pooled to support joint ven-

profit organisations. Programmes to be crafted

creditor nations. Private institutions convert-ing their debt into equity posi-tions, including joint ventures.

Punjab strikes blow for tartan tradition

By Christina Lamb in Sialkot, Pakistan

visiting Scotland would proba-bly rather not know that the glorious tartan bagpipes he bought as a souvenir were almost certainly made in a dusty town in Pakistan.

Sialkot, a small dot on the map in the province of Punjab, does not seem a likely place to be the world's largest exporter of bagpines.
After all, everyone knows bagpines are made in Scotland. But amongst the chickens and oxen carts creating bavoc in its

narrow streets, can be found several gaily painted signs depicting Scots in tartan kilts playing bagpipes. The bagpine industry began in Sialkot during the days of the Raj when Sialkot was home to a large British garrison, complete with pipe band. One day a set needed repairing, and rather than send them back to Scotland, the player found an enterprising trader in the

bazaar who set about first

repairing and then copying Today there are five bagpipe factories in Sialkot. The biggest and oldest is Halifax, begun by Barkat Ali in 1932. who named it after a school textbook "John Halifax, the Gentleman", in the hope that he, like Halifax, would rise

Starting on a small scale he began exporting in 1942 and now earns £260,000 per annum in foreign exchange, with more than half the 5,000 sets pro-

THE AMERICAN tourist duced annually going to Scotland would probably rather not know that the the labour and good quality leather for the bag are avail-able very cheaply in Sialkot.

It is cheaper for the Scots to import them than to produce hagpipes themselves. Barkat Ali's best professional bagpipe costs Rs2,500 (£76) a set, while the tourist model is only Rs400. The Scots, he says, "are very

Scotland is Barkat's biggest

market. He supplies more than 3,000 bagpipes to wholesalers, tourist shops, Scottish military units and the police. The tartans of various clans from Royal Stuart to Mackenzie are handwoven on looms in back rooms in Sialkot by peo-

ple who have never heard of Scotland. The rest are sold to the United States and West Barkat is a great fan of bagpipes, which he says "infuse martial spirit in a man." Pakistan's frontier regiments have all maintained traditions of pipe bands, surprising visitors

by appearing in tartan kilts and playing renditions of popular favourities such as "Auld Lang Syne." Wholesalers ask that he prints no name on the sets, and he suspects that some

shops stick on "Made in Scotland" labels. "I suppose tourists wouldn't buy them if they said 'Made in Sialkot'," he shrugged.

Coast is very sizeable." Mr Bis-sell said. "A couple of million dollars in a place like Brazil would get lost." The Debt for Development

support of development pro-

tures.

• Commercial banks or other firms donating debts as charitable contributions to non-

as important components in rescheduling debt plans by

Turks ease trade row with Libya

By Jim Bodgener in

AGREEMENT has been reached on substantive six-year-old trade disputes with Libya, Mr Isin Celebi, a Turk-ish Minister of State, announced yesterday.

His statement came after a

meeting with Mr Jadallah al-Talhi, the Libyan Foreign Min-ister in Istanbul. This confirms agreements worked out last month in Tripoli during a visit by Mr Celebi.

Libya would now accept letters of guarantee from Turkish banks, according to Mr Celebi. Previously, Libya's refusal to do this has held up tenders for Libyan work by Turkish construction companies, with the prospect of around \$5bn (£3.1bn) in fresh work if they can secure the necessary financing.

In addition, the Libyan Gov-ernment would meet \$120m in backpayments to Turkish contractors, said Mr Celebi. However, Turkish contractors say outstanding Libyan payments total around \$400m. Goods and services to be supplied to Libya by Turkey had also been agreed, and will be worked out in detail at a joint economic commission meeting in Sep-

tember in Libya.

According to results of the
July talks in Tripoli, Libya would pay for any fresh con-tracts and other work in oil, on condition that contractors lift amounts equal to construction costs and the supplies.

Coalition members are

Ban on chemical wastes spreads to a third port

By Richard Donkin and John Hunt

A THIRD British port yesterday refused to handle shipments of the toxic waste PCBs (polychlorinated biphen-yls). The Port of Bristol Authority said it had imposed the ban to protect the health and safety of employees. This followed the action of

Tilbury in Essex and Liver-pool, both of which decided on Wednesday to cease all han-dling of PCB cargos. Liverpool has imposed a ban on importing all dangerous chemical wastes and Tilbury is consider-ing a ban on the import of

toxic materials.
Sir Hugh Rossi, Conservative chairman of the all-party House of Commons Environment Committee, yesterday accused Greenpeace, the envi-ronmental group, of causing "unnecessary alarm and damage" to the toxic waste disposal industry in its campaign against the import of PCBs. Greenpeace persuaded Til-bury not to allow a Soviet ship

to discharge a Canadian cargo of PCBs for reprocessing in England. The Soviet vessel, the Khudozhinik Saryan, was returning to Montreal last

the importation of PCBs was

His comments came after the Government refused to become embroiled in the row over whether ports should handle

Meanwhile, Rechem, a wasta disposal company, was taking legal advice over a contract with Liverpool docks to take PCB consignments from Canada for disposal at its plant in Pontypool, Wales. The first of 15 shipments of the waste are due to dock next Wednesday.

The growing controversy over the handling of waste came as a water authority involved in building two new incinerators in north-east England said it would not handle toxic waste from overseas.

Northumbrian Water, which is planning the incinerators on Tyneside and Teesside, said there was no question of importing waste from abroad if night. planning permission for the Sir Hugh said anxiety over two plants were given.

London Underground hit by unofficial strikes

railway services were disrupted again yesterday by wildcat industrial action following the official settlement of the four-month-old pay dis-pute. Further unofficial disruption may be considered by driv-

ers next week.

Although most trains ran following the settlement on Wednesday of the dispute – over pay for one-person operated trains – two lines were severely disrupted and others were partially affected. others were partially affected. Leaders of Aslef train driv-ers' union appealed for mem-

bers to obey the union's instruction to return to work. Mr Derrick Fullick, Aslef gen-

debenture certificates

"understandable but ground-less." A report by his commit-tee last February said that high temperature incineration used for dangerous substances was "particularly effective for the destruction of PCBs."

PCB cargoes.

By John Gapper, Labour Correspondent

LONDON Underground eral secretary-elect, emphasised that more money for drivers could be won through further negotiations. The dispute, which began with outbreaks of unofficial

action by drivers, was officially settled when London Underground and union leaders agreed to an increase in drivers' average weekly earnings of £16.73 to £333. However, leaders of the ear-

lier unofficial action accused union officials of backing down on the original demand for a £64-a-week increase.

A meeting is to be held in London on Monday which may consider further action.

Gencor 44

General Mining Union Corporation Limited

(Incorporated in the Republic of South Africa)

(Registration number 01/01232/06)

CONVERSION OF CONVERTIBLE PREFERENCE SHARES AND CONVERTIBLE DEBENTURES

It was announced in the press on 21 June 1989 that following the declaration by Gencor of a final dividend per ordinary share in respect of the financial year ending 31 August 1989, the 8.5% variable compulsorily convertible cumulative preference shares ("convertible preference shares") and the 12.5% unsecured subordinated compulsorily convertible debentures ("convertible debentures") will be compulsorily converted into ordinary shares on the basis of 1 ordinary share for every 1 convertible preference share or 1 convertible debenture held with effect from 1 September 1999. The actual delisting of convertible preference shares and convertible debentures and the listing of replacement ordinary shares will only become effective, subject to the approval of The Johannesburg Stock Exchange ("the JSE") and The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the ISE"), from the commencement of trading on the JSE and the ISE on Monday, 25 September 1989,

Procedure for the conversion and surrander of existing convertible preference share and convertible

Holders of convertible preference shares and/or convertible debentures are requested to surrender, by not later than the close of business on Friday, 22 September 1989, their existing convertible preference share certificates, existing convertible debenture certificates and/or other documents of title to the transfer secretaries as set out below, under cover of the surrender forms which are to be mailed to registered holders on or before 25 August 1989.

Barclays Registrars Limited 6 Greencoat Place London SW1P 1PL

Ordinary share certificates in respect of convertible preference share and convertible debenture certificates and for other documents of title received by Friday, 22 September 1989 will be despatched to the person(s) entitled thereto on or about Monday, 25 September 1989. Convertible preference share and convertible debenture certificates and/or other documents of title received after Friday, 22 September 1989 will be processed and replacement ordinary share certificates despatched within 7

On the basis that the proposed sub-division of the ordinary shares is approved by ordinary shareholders on 18 September 1989 (refer below), holders of convertible preference shares and/or convertible debentures will receive 10 sub-divided ordinary shares for every 1 convertible preference share or 1 convertible debenture surrendered.

The last day for dealing in the existing convertible preference shares and/or convertible debentures will, subject to approval by the JSE and the ISE, be Friday, 22 September 1989. Existing certificates in respect of convertible preference shares and/or convertible debentures will not be good for delivery for transactions effected after the commencement of business on Monday, 25 September 1989.

Dealings in the convertible preference shares and the convertible debentures for the trading week commencing on Monday, 18 September 1989 are for immediate delivery on the JSE and the ISE.

GENERAL MEETING OF ORDINARY SHAREHOLDERS A general meeting is to be held on Monday, 18 September 1989 to consider special resolutions necessary to:-

A circular containing full details of the conversion of convertible preference shares and convertible

debentures, sub-division of ordinary shares and change of name and incorporating a notice of meeting is in the process of preparation and will, subject to the rules and requirements of the JSE and the ISE, be mailed to shareholders and debentureholders on or before 25 August 1969.

the articles of association; sub-divide the ordinary shares on a 10 for 1 basis; and change the name of General Mining Union Corporation Limited to Gencor Limited

. change the manner of conversion of the convertible preference shares as currently set out in

Last day for dealing in convertible preference shares and/or convertible debentures

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT ANNUAL REVIEW

Fiscal strategy key to inflation war

By Peter Norman, Economics Correspondent

and reduce the country's large current account balance of payments deficit, according to the Organisation for Economic

Co-operation and Development.
In its annual review of the British economy, the OECD British economy, the OECD warns that the current high interest rate policy may not be sufficient to tackle inflationary tensions and economic imbalances while maintaining confidence in the Government's policy and sterling.

"There clearly is a danger of over-burdening and over-stretching monetary policy," says the Paris-based think tank owned by the world's 24 leading industrial nations.

Although the Government has already accepted some

has already accepted some tightening of fiscal policy over the past two years, the OECD recommends that "a more ambitious fiscal objective for a time would serve to bolster both financial market confidence and the credibility of the Government's stabilisation pol-

The group does not offer any precise fiscal policy solutions. But it says the Government's planned gradual move from a £14bn budget surplus in the current financial year to the end of March 1990 towards a end of March 1880 towards a balanced budget "might need to be more stretched out over time than has so far been envisaged." The latest version of the Government's medium-term financial strategy projects a decline in the surplus to £3bn

by 1992-3. The OECD also suggests that the Government study the impact of the tax system on savings and investment. Britain's large current account deficit has reflected a sharp rise in private investment and a steep fall in the personal savings ratio. If it emerges that fiscal and budgetary policy dis-tort the balance of savings and investment "then fiscal reform is called for," the OECD says.

The good news in the report is that the OECD believes

Britain may avoid a recession. It also says conditions seem favourable for the economy to return to a higher growth path over the medium-term after the present policy-induced slowdown.

The overheated UK economy could be heading for a "soft

THE Government must tighten fiscal policy to strengthen its counter-inflation programme landing with inflationary pressures subsiding slowly and the external deficit falling gently as a proportion of gross domestic product, it says.

But it points out that the recent spurt of inflation, which lifted the 12-month increase in the retail price index to 23 per

the retail price index to 8.3 per cent in May, started from an underlying rate of nearly 5 per cent.
"With inflation in this sort of

range it is more difficult to absorb shocks satisfactorily," it says. "The task of policy would therefore now appear to be not only to remove the excess demand of the last year or so, but to resume the earlier pro-

have been tightened too much appears to be comparatively small," it says. "Any underesti-mation of the restraining effects of policy should be welcomed given the present out-look of a slow and uncertain

adjustment process. The impliadjustment process. The impli-cation for policy would there-fore seem to be greater if prog-ress in reducing tensions and macro-imbalances is retarded or turns out to be more hesi-tant than projected, making a "hard landing of the economy a possibility."

The organisation predicts the growth of real gross domes-tic product will "decline signif-icantly" to stabilise at just

	Tressury	OE	CD
	1989	1969	1990
Volumes (1985 prices)			
Private consumption	31/2	3%	21/2
Government consumption	%	1/4	*
Gross fixed investment	4%	5%	31/4
Public	2	-41/4	2
Private	5	7%	31/4
Final domestic demand	3	31/4	27/4
Stockbuilding*	-14	0	-%
l'otal domestic demand	21/2	3%	2
Exports	41/4	31/4	5
imports	41/2	6%	4%
Foreign balance*	-%	-1%	-44
GDP	21/2	21/4	2_
GDP defiatort	51/4	5%	5%
GDP at current pricest	7%	97/4	8
Real personal disposable income	- "	31/4	2%
Personal saving ratio	3	41/4	41/2
Consumer prices	51/4	5%	51/4
Employment	_	1%	0
Unemployment rate:	_	7	7%
		_	

cess of disinflation which has been marking time for several years. Seen in this light there will be good reason to err on the side of restraint in the future setting of policy." Although the OECD's lan-

guage is somewhat coded, it makes clear that it would like to see Mr Nigel Lawson, the Chancellor of the Exchequer, setting a much tougher count-er-inflation policy in Britain on the principle that some pain now would avoid greater hurt

The group also believes that a large amount of uncertainty surrounds the extent and timing of the effects of monetary policy because of today's more

under 2 per cent in 1990 or about one percentage point below the estimated rate of growth of potential output. The OECD expects that the growth of private consumption

will slow to a seasonally-ad-justed annual rate of 2.25 per cent in the second half of next year from 2.75 per cent in the present six-month period. It comments that moderation of consumer spending in Britain is "critical to the further course of the economy."

The OECD's short-term forecasts echo those published in its half-yearly Economic Outlook at the end of June. The only changes are a slight quickening in the growth of liberal financial environment.

"The extent that policies domestic demand and an estimate that imports of goods and

services will rise by 6.75 per cent in 1989 compared with a

previous 6.5 per cent.

However, the organisation says the risks surrounding the outlook are considerable. Although it has welcomed the "recent marked slow-down" in household spending, the report warns considerable uncer-tainty exists because of inade-

quate official statistics.

The retail price index, which in the OECD's view "greatly overstates the rise in inflation" by including mortgage interest payments, could add to a mice progress graph it warms.

price-wage spiral, it warns. The annual report also says the momentum of structural reform needs to be maintained at the same time as bringing inflation onto a downward

Britain has pursued supply side policies with greater rig-our and determination than most other major industrial countries but important weaknesses still remain, it says. For

example:
• Relating many benefits to income continues to mean high marginal tax and benefit with-drawal rates for the small number of people caught in the poverty trap;

• Other benefits such as company cars continue to be relatively lightly taxed;

• Although significant progress has been made in dismantling quantitative import restraints in recent years, various import impediments remain. Britain has, for example, about 600 bilateral arrangements under the Multifibre Agreement and indus-try-to-industry agreements to limit imports of cars and com-mercial vehicles from Japan;

 The same sense of a job only half done pervades the OECD's analysis of the Government's privatisation programme. In particular, the organisation criticises the way corporations such as British Telecom and British Gas have been sold intact. "A shake-up of the structure of privatised industries would have strengthened forces of competition and facilitated and the structure of privation." tion and facilitated regula-

 OECD Economic Surveys: United Kingdom. OECD Publications, 2 rue André Pascal. 75775 Paris Ceder 16. FFr50. Also to be available from HMSO.

Tory MPs attack Government over fast pace of health reform

By Michael Cassell, Political Correspondent

THE GOVERNMENT could jeopardise standards of patient care if it persists in adhering to an impossibly tight timetable to implement reforms within the National Health Service, according to a report published yesterday by the House of Commons social services com-

Although the committee is dominated by Conservative MPs, the report included a minority statement by three of its six Tory members, who dis-tanced themselves from some of the principal criticisms of

the Government's plans.

The reforms – which propose to create an internal market within the NHS, linking general practitioners' budgets with the number of patients and the introduction of self-governing hospi-tals - were openly criticised by other Tory MPs, however. Their opposition underlines divisions within the party over the Government's handling of

The Tory differences were seized upon by Mr Robin Cook, Labour's health spokesman, who claimed the health reforms had now been condemned by every expert who had studied them. He challenged Mr Kenneth Clarke, the Health Secretary, to admit defeat and to take his plans "back to the drawing board."

The British Medical Association, which sets standards of practice for the medical profession, said the committee had exposed the Government's plans – which would irretrievably alter the NHS – as being flawed. The Government had to stop and consider whether to "streamroller" through reforms which were unaccept-

able to patients. Many of the changes put forward in the policy document on NHS reform are not conclusively rejected by the commit-tee. It reserves its main criti-cism for the Government's determination to drive through its proposals without first developing the framework nec-essary for their introduction.

The committee emphasises the need for a staged approach to the reforms. In calling for experimentation and flexibility" it says that proposals for general practitioner (GP) bud-gets and for self-governing hos-pitals should be subject to pilot schemes. Hospitals should only opt out following local ballots. According to the MPs, who describe as "commendable" plans to improve NHS resource management systems but who also point to significant gaps in the policy paper, there is insuf-ficient information available to ascertain whether the Government's plans will work.

costing and pricing.

The committee restates its fears over the implementation of an internal market in health

that the reforms cannot oper-

ate in the interests of patients

without a proper system of

care, although it stresses that one already exists in a limited form and should be built upon. It suggests that a pledge to increase NHS resources by about 2 per cent a year in real terms, beyond the cost of new information and managerial systems, would help convince people of its commitment to

improving the NHS.
In their minority statement,
Tory MPs Mrs Marion Roe, Mr Jerry Hayes and Miss Ann Widdicombe claim the committee's majority report is "severely flawed." They say the ballot proposal for self-governing hospitals is "unworka-

They sympathise with concerns over the Government's timetable but emphasise that, as GP budgets and self-governing hospitals will initially be undertaken on a voluntary basis, they "will be pilot studies in all but name." Lord Trafford, the Minister for Health, said the report dem-onstrated that the main differ-

ences over the reforms centred on the pace, rather than the direction, of change. The committee concludes Editorial comment, Page 14

Steel production rises despite fears of slow European market

By Nick Garnett

TOTAL OUTPUT from Britain's steel mills is continuing to rise marginally in comparison with last year, despite warnings that markets

warnings that markets throughout Europe are begin-ning to soften.

Weekly output actually fell last month by 34,000 tonnes, partly because some steel plants were already starting holiday shutdowns, a factor which always reduces production at this time of year. The provisional figure for last month, at 337,000 tonnes a week, was still 5 per cent up on

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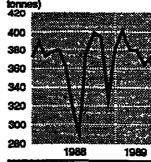
MARTIN & CO. INC. DAVIS BORKUM HARE & CO. INC.

ED HERN, RUDOLPH MC. IVOR JONES, ROY & CO. INC.

production in July last year. The exceptionally high growth in steel output which was registered last year com-pared with 1987 has come to an end, however. Rates of growth overall have slowed to a

Total output in the first

UK steel output Total production of usable steel



seven months of this year averaged 373,300 tonnes a week - 15 per cent higher than for the same period last year. This compares with an increase of 8.8 per cent in the total tonnage of steel produced in the UK last year compared with 1987. Output last year at 18.96m tonnes compared with 17.4m

the previous year. Last year's production was the highest since 1979 when steel mills produced 21.5m

Just over three-quarters of steel produced in the UK is made by British Steel, the recently-privatised company which last year slightly raised its share of total output. A regional breakdown of production shows that in the first half of this year compared with

the same period last year, steel output in Wales, Teesside, and the south east increased. At the same time in York-shire, Humberside and Scot-land it declined marginally.

With the Board of Directors' consent the Board of Managing Directors has decided to set the half-yearly dividend of the 1989 financial year at NLG 2,60 per ordinary share of NLG 20,—nominal

At shareholders' option, this dividend will be paid either entirely in cash or NLG 0.35 in cash and for 2,5% (i.e. to an amount of NLG 0,50 nominal value) in new ordinary shares charged to the share premium reserve or, if desired, to general reserves. These new shares are entitled to participate in the final dividend for 1989 and dividends in subsequent years. The stock dividend will not attract income tax or withholding tax in The Netherlands. The interim dividend will be made payable as from August 21st,

In The Netherlands: All offices of Amsterdam-Rotterdam Bank N.V.

At the counters of the branches and regional offices of the General Bank N.V.

In the UK: Amsterdam-Rotterdam Bank N.V., London.

In West-Germany: Deutsche Bank AG, Commerzbank AG, Drescher Bank AG, Westdeutsche Landesbank Girozentrale in Frankfurt (Main), Düsseldorf and Hamburg, if established there, and Amro Handelsbank AG,

in France: The offices of Societé Générale.

in Switzerland: Schweizerische Kreditanstalt, Schweizerischer Bankverein, Schweizerische Bankgesellschaft, Amro Bank und Finanz and MM. Pictet & Cfe.

in connection herewith, upon presentation of dividend coupon no. 80 forming part of the ordinary share certificates of NLG 20,- nominal value, an amount of NLG 0.35 less the 25% withholding tax due on dividends in The Netherlands - will be paid in cash, i.e. per

certificate of 50 ordinary shares: NLG 13,125 certificate of 10 ordinary shares: NLG 2,625 certificate of 1 ordinary share: NLG 0,2625

Where shareholders opt for the stock dividend charged to the share premium reserve, as referred to above, then upon presentation of dividend coupons no. 81, one ordinary share (with dividend coupon no. 82 et sego, and talon attached), which is entitled to participate in the final dividend for 1989 and dividends in subsequent years, will be issued for every 40 ordinary shares held.

Any unclaimed shares in respect of dividend coupons no. 81 which are still outstanding after November 10th, 1989 will be sold and the proceeds will be held at the disposal of the holders of those dividend coupons which have not been presented at that date on a pro rata basis.

In connection with the exchange of dividend coupons no. 81 for new shares, corporate members of the Amsterdam Stock Exchange Association will be paid the official rate of commission so as to enable the said exchange to be effected free of charge

Shareholders requesting their bank to mail their securities to them or to deliver them into their hands for the purpose of the exchange will be charged the usual fee for delivery of securities.

In connection with the aforementioned stock dividend, the necessary shares will be irrevocably deposited at the company's office until November 10th, 1989 unless previously claimed by share-

Where shareholders opt for payment in cash, then upon presentation of dividend coupon no. 81 forming part of the ordinary share certificates of NLG 20, - nominal value, an amount of NLG 225 - less the 25% withholding tax due on dividends in The Netherlands - will be paid in cash, i.e. per

certificate of 50 ordinary shares: NLG 84,375 certificate of 10 ordinary shares: NLG 16,875 certificate of 1 ordinary share: NLG 1,6875

Dividend coupons presented via a bank or stockbroker must be stamped on the reserve with the firm's stamp.

Holders of CF-certificates, will be entitled to their cash dividend and rights to payment in ordinary shares through the intermediary of the institution which had custody of the dividend sheets forming part of their share certificates as at the close of business on August 10th, 1989.

Amsterdam, August 9th, 1989

Amsterdam-Rotterdam Bank N.V.



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ISTANBUL

The Financial Times proposes to publish this survey on:

4th September 1989

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FINANCIAL TIMES

11 August 1989



Central Merchant Bank Limited



Final payment for Barlow | Syndicates Clowes UK fund investors

By Richard Waters

THE 7,320 investors in the UK arm of Barlow Clowes, the investment group that col-lapsed last year, will receive their final repayments from the group's liquidators in the next few days.

Depending on their particu-lar circumstances, they will have received back between

63p and 106p for every £1 they originally invested.

The £18m being sent out this week is in addition to £16.6m paid to them at the start of this

payments were approved by the High Court last month, after protracted legal argument about the relative rights of the different classes of investors in Barlow Clowes Gilt Managers. This was complicated by the different Barlow Clowes "products which people invested and the different accounts in which their money was held.

Likely Lads

TV venture

sum and a share in the new

According to Mr Allan

McKeown, in charge of produc-tion at SelecTV, the company, will complement Witzend and

Alomo, the group's television production companies.

By Raiph Atkins, Economics Staff

For the first time since 1963,

the Bank of England devoted a special article in its quarterly bulletin to the team that deals

with 27,000 claims a year for disfigured, digested or partly destroyed Bank notes. It features bizarre stories of

notes eaten by camels and fer-rets, cooked in microwave

ovens or lodged in washing.

Since the early 1970s, the

Bank reveals, the department's staff has shrunk from 50 to just six, who call themselves the "mutilated ladies."

been ladies of Threadneedle

Street only in spirit.

One reason for the decline

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company's revenues.

team join

By John Ridding

vision operator.

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In all, 1,155 investors in the UK fund will get back more than 100p in the £1. This represents their initial investment plus interest earned since the liquidators sold BCGM's gilts portfolio last summer.

On the other hand, 6,165 will retrieve only 63p. These are people whose money was held in accounts maintained by Midland Bank.

They have received less because the liquidators of Barbecause the ilquidators of Barlow Clowes International, the group's off-shore arm, have successfully argued that £15.4m of BCGM money belongs to BCI's investors.

A further £3m, equivalent to 7p in the £1 for each investor, has been held back by the liquidators in case they decide to sue any of the Barlow Clowes advisers or bankers. However, a decision will not be made on

a decision will not be made on this until court approval is sought in October. The liquidators' own fees, which have not yet been disclosed, will also come out of this. The total payout of £34.6m represents an average of just under 70p in the £1 for each

investor. Mr Stephen Hook, of joint liquidators Cork Gully, said yesterday that he believed the payout had been agreed speedy, and that the liquidators had been aware of the urgency felt by the many elderly inves-

 A small proportion of the 10,000 investors in the off-shore arm of Barlow Clowes are due to receive back part of their money shortly.

The payment, which applies to the 2,000 people who invested their money between March 1 and May 27, 1988, the last months before the group went into liquidation, was also approved by the High Court last month.

DSS faces duplicate pension applications

By Eric Short, Pensions Correspondent

SOME 60,000 people have submitted more than one appli-MR Dick Clement and Mr Ian La Frenais, the men who served up Porridge to televi-sion viewers and introduced cation for personal pensions to contract out of the State Earn-ings-Related Pension Scheme The Likely Lads, are setting up a production company with SelecTV, the former cable tele-(Serps), in spite of the ruling that only one personal pension contract can be used in a tax year to contract out of Serps. The formation of the company, called Clement La Fren-ais Productions, will give SelecTV exclusive rights to The Department of Social Security yesterday confirmed

that it was having problems with duplicate applications, although the numbers so far amounted to about 1 per cent programmes created by the two-man team for the UK mar-ket for a minimum of two of all applications. Employees using personal It is believed to be the one of pensions to contract out of Serps receive a 2 per cent addithe first deals of its kind. However, the rights to the

BANK OF ENGLAND QUARTERLY BULLETIN

fional incentive payment from the Government.

This payment was a big fac-tor in life assurance salesmen persuading employees to take duo's previous successes, which include Auf Wiedersehen Pet, To Russia With Elton, and Rilly, are to remain with the various ITV contractors and are not included in the personal pensions and resulted in the sales boom in the final weeks of the 1988-89 tax year Mr Clement and Mr Ian La Frenais, who have worked together for 21 years, will receive an undisclosed cash

when more than 1m contracts were sold. Some employees have submitted more than one applica-tion; either because of ignorance or because they were trying to obtain more than one

incentive payment. The situation is made more confusing because employees can have as many personal pensions as they like if they

are not used to contract out of

If the DSS is dealing with duplicate applications where neither application has been d, then the employee is contacted and asked to clarify his or her intentions. However, if one of the appli-

cations has been processed, then further applications are returned to the life company involved explaining the posi-The DSS confirmed that

there is no question of any legal proceedings.

The department also rejects claims by Blick Rothenberg, the London firm of chartered

accountants, that the DSS was getting the amount of rebate for the year 1987-88 significantly wrong and in most cases paying too little too late. The department was com-pletely satisfied that its methods of calculation were correct. If the wrong figure was being calculated, it was because the department had been given incorrect information by the employer or employers

However, the department admitted that problems could-arise when employees changed jobs during a particular tax,

at Lloyd's may sue

over losses

By David Waller

THE 1,614 names on two Lloyd's underwriting syndi-cates managed by RHM Outhwaite underwriting agencies are on the verge of launching a lawsuit to recover damages in respect of losses that have so far topped £300m but could eventually reach £1bn. Mr David Lentaigne, secre

tary of the Outhwaite 1982 Names Association — a body representing names on the troubled syndicate 317/661 in 1982 - said it was likely that writs would be issued at the beginning of November, fol-lowing on from a meeting of

According to Mr Lentaigne the case for litigation is bolstered by Counsel's opinion, from Mr Anthony Boswood QC and Mr Michael Hart QC. The essence of their advice is that the names have a strong chance of succeeding in a claim based on the conten-tion that Mr Richard Outh-

waite was negligent in the underwriting he did for the names.
Counsel argued in its written opinion that "in writing these policies as he did, Mr Outhwaite fell far below the standard of skill and compe-tence reasonably to be expec-

ted of him in the conduct of

the agency's affairs."

Members of the syndicates. who include sporting celebrities such as Virginia Wade and Tony Jacklin, have already been called to pay up £64m in total and have been told that total liability for the 1982 poli-cies exceed £300m. Some 20 of the names — who pledge their entire personal wealth for the privilege of writing Lloyd's business – are facing bank-

ruptcy already. Given the nature of the policies taken on board by the 1982 syndicates — many of them covering claims against asbestosis, and a majority affording unlimited cover – there is a view at Lloyd's that the names could ultimately lose £1bn. The aim of the litigation will be to secure damages commensurate with the

losses, actual and potential. Counsel recommend that the names take no action against Lloyd's itself. For technical reasons the litigation will be directed against members' agents rather than Outhwaite itself. Names are advised that this implies no criticism of the members' agents' skill, judg-ment or integrity.

When the toxic boat comes in

John Hunt on waste disposal that has become a burning issue

THE CURRENT furore over the importation of hazardous waste into Britain is very different to the affair of the Karin B last year when she tried to dock at the UK bearing a mixed cargo of leaky containers holding toxic

On this occasion the Soviet ship bringing polychlorinated biphenyls (PCBs) to Tilbury from Canada had completed the necessary documentation. The materials, which have been shown to cause cancer and nervous illness, were all approved and correctly pack-aged and destined for Grosvenor Power Services in Man-

The same is true of the ves-sels that are on their way to Liverpool from Montreal carrying the first consignments of a total of 1,500 tonnes of PCBs destined for incineration at the Rechem plant at Pontypool. However, the managements

of Tilbury and Liverpool docks, which have handled properly controlled hazardous materials before, now say that such con-signments will not be allowed entry in future. The decisions were taken amid the massive media publicity generated as a result of the campaign by the environmental group Green-

As a result the waste disposal industry is in conflict with the two ports and the environmentalists.

Yesterday the Government was tactfully trying to avoid



involvement in the arguement, while restating the right of waste disposal contractors to bring in toxic materials under

proper control.
The waste disposal industry says the materials are sent because Britain has high technology incineration. Canada has an incinerator in Alberta but PCBs have to go on a waiting list for disposal In addition to Rechem. which has a second incinerator at Fawley, near Southampton, such materials can be dealt

with by Cleanaway, the big waste disposal company, which has an incinerator at Ellesmere Port, Cheshire, and is in the process of replacing it at a cost of £18m.

These companies got in on the ground floor and built their incinerator plants about 15 years ago. As a result they have reaped big profits. Some companies in other

countries have found it difficult to follow suit though, because of strong opposition from environmentalists.
Imports into Britain of haz-

ardous wastes - or special wastes as they are officially described – have risen steeply. In 1981 3,800 tonnes were imported. By 1983 this had risen to 14,800 tonnes, and last year it was 80,000 tonnes. But these figures are dwarfed by the domestic hazardous waste which is destroyed in the UK -4.5m tonnes in 1987 and 3.7m tonnes last year.

Cleanaway, for instance, incinerated 10,460 tonnes of hazardous waste in the first six months of the year. These included 239 tonnes of PCBs and of these 38 tonnes were imported and 201 tonnes were from the UK.

The accusation from the green movement is that Britain is being made the "dustbin" of

Operators of sealed incinera-

tors designed for such toxic

organic wastes deny there is

any such risk. They say even

the world and that the materials come here because it is the

cheap option.

But Mrs Virginia Bottomley,
Environment Under Secretary, said yesterday that France than Britain. West Germany, it is claimed, solves its problems by exporting such materials to East Germany where environ-mental regulations have been

The industry argues that if these toxic materials do not come to Britain then they could well be disposed of in ill-equiped Third World coun-tries which cannot deal with them safely.
The Commons Environment

Committee in a recent report said that many of the countries which were most critical of British practices exported large quantities of toxic waste to countries where disposal standards were very low.

Mr David Boyd of the National Association of Waste Disposal Contractors told the currently exporting some 5m tonnes of waste every year. I do not think it is very environmentally conscious when you shove your problem somewhere else."

Mr Stanley Clinton Davis, former European Commisioner for the Environment, who has been very critical of Britain's environmental standards, said that incineration in the UK compared with the best in

A dangerous servant for several decades

By David Fishlock, Science Editor

(polychlorinated hiphenyls) served as efficient electrical insulators and heat-transfer fluids in domestic and industrial equipment for several decades, until manufacture was banned by the US Government in 1979.

Many other countries subsequently banned them as a potential hazard should they leak or be released into the air in a fire. There is evidence PCBs cause cancer and nervous illness Initially the US Environmen-

tal Protection Agency permitted such equipment as trans-formers and capacitors filled with PCBs to continue in service until they were worn out. But in 1985 the EPA ordered all PCBs in transformers in or near buildings to be replaced by less toxic fluids, such as mineral oil, by 1990: The US electricity industry estimated it had 200m lbs of

PCBs in its equipment at the time, 80 per cent of which was in transformers and capacitors. Some transformers were as a big as a sitting room.

The greatest potential haz-

ard arises from fire. PCBs do not burn easily - they were valued as robust insulators and they may partly decompose in a fire to form chemicals more toxic than PCBs themselves, such as polychlorinated dibenzofurans (PCDFs).

Soot deposits associated with lectrical fires and explosions involving PCBs have been found to contain traces of toxic substances such as PCDFs. PCBs can be completely destroyed if the fire is fierce enough, certainly at 1,000

degrees centigrade or more providing efficient disposal.

But public fears have been aroused by the possibility of partly-burned PCBs escaping from the incinerator to pollute

radioactive wastes such as contaminated clothing and plastics can be treated safely like this. Alternative ways of disposing of PCBs have been explored, including an arc pyrolysis system for burning

the surrounding area.

not just the fluids but an entire piece of electrical equipment such as a capacitor contaminated with PCB.

Another possibility is to biodegrade the PCBs by using micro-organisms to decompose them to simpler, non-toxic substances. This may require genetic engineering to produce an efficient biotechnology for the purpose.

NOTICE OF REDEMPTION

The St. Paul Companies, Inc.

Conversion Rights Expire at the Close of Business at the Offices of the Agent and Paying Agents Listed in This Notice On August 21, 1989

NOTICE IS MERIEBY GIVEN that, pursuant to the optional redemption provisions of Article Bleven of the Indenture, dated as of April 15, 1985, between The St. Paul Companes, Inc. (the "Company") and The Chase Manhattan Bank, N.A., as Trustee, the Company has elected to redeem and will redeem on August 21, 1989 (the "Redemption Cate"), all the Company's outstanding 74% Convertible Subordinated Detentures Due April 15, 2000 (the "Detentures") at 195% of their principal amount, plus accrued and unpaid interest to the Redemption Date in

conversion of Debentures into Common Stock

The Debentures are presently convertible into Common Stock of the Company (the "Common Stock") at the conversion price of \$33,625 per share, at such conversion price, each Debenture in the prancipal amount of \$1,000 is convertible into approximately 29,74 shares of Common Stock (rounded to the hearest 1/100 of a share). No fractional shares of Common Stock (rounded to the hearest 1/100 of a share). No fractional shares of Common Stock shall be issued upon conversion, instead, a cash adjustment will be paid in respect thereof, as described herein. Such right to convert Debentures into Common Stock will terminate at the close of business at the offices of the Agent and Paying Agents, on August 21, 1988, and after that date the Debentures will no longer be conventible into Common Stock. Until such time, holders of Debentures have the right to so convert their Debentures at The Chase Manhartan Bank. N.A. (the "Agent") and paying agents, as lated herein (the "Paying Agents"), by delivery of the Debentures to one of the addresses specified below, accompanied by duly executed written notice, which may be in the form contained in the Letter of Transmittal enclosed herewith, that the holder elects to convert such Debentures and stating the name or names (with address) in which the stock certificate(s) is to be issued if more than one Debenture is surrendered for conversion at any one time under the same Letter of Transmittal or other notice by the same holder, the number of full shares of Common Stock issuable upon conversion of such Debentures will be computed on the bases of the aggregate principal amount of the Debentures will be computed on the bases of the aggregate principal amount of the Debentures would, except for the provisions of this paragraph, be entitled upon conversion of any Debenture, the Common Stock in the Austral Association of Securities Debentures and the Common Stock is at least \$35.5 per share, holders of Debentures would receive on the Austronal Associ

By Afail
The Chase Manhatten Bank, N.A.
Box 2020
1 New York Plaza - 14th Floor
New York, New York 10081
Attn: Boad Conversion Dept.

By Hand or Mail

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in summary, you have the following three alternatives.

(a) To convert your Debentures by the close of business at any Agent or Paying Agents on or before August 21, 1983 into Common Stock at a conversion price of \$33 825 per share, or 28,74 shares of Common Stock (rounded to the nearest 17100 of a share) for each \$1,000 poncipal amount of Debentures.

(b) To surrander your Debentures to the Agent or Paying Agents, at one of the addresses set forth above with written instructions for redemption at the total Redemption Prices, including accrued interest, of \$1,078.25 for each \$1,000 principal amount of Debentures, interest will not accrue on or after the Redemption Date, or

(c) To self your Debentures through brokers to others. Holders of Debentures who are considering making sales should consult their brokers or other advisors regarding this procedure.

The Company has been advised that under present United States Federal income tax Jaw a holder will not recognize any gain or loss upon conversion of the Depentures into Common Stock, except that such holder will generally recognize gain or loss to the extent cash is received in lieu of fractional shares. However, a holder will generally recognize taxable gain roles in the event Debentures are sold or redeemed. Holders of Debentures should consult their own tax advisers as to Federal, state and local income tax treatment applicable to them, on conversion, sale or redeemption. Failure to complete and return a Form W-9 or the Substitute Form W-9 or a Form W-9 or a form W-9 or an oversion, sale or redeemption. Failure to complete and return a Form W-9 or the Substitute Form W-9 or the substitute Form W-9 or the substitute Form W-9 or a Form W-9 or no redeemption, sale or conversion of your Debentures.

Letter of Transmittal A Letter of Transmittal should accompany Debentures surrendered for conversion. Additional copies of the Letter of Transmittal may be obtained from the Agent or any Paying Agents listed above.

Mutilated ladies unveiled Interest rates to stay high for 'a long time to come'

By Peter Norman, Economics Correspondent

THE "mutilated ladles" of has been the abolition of the Threadneedle Street - responsible for honouring mangled and abused notes of the realm stepped out of the shadows propensity of the public (and, in small propensity of the abolition of the small propensity (and in small propensity of the abolition of the small propensity (and in small propensity of the small propensity of the small propensity of the small propensity (and in small propensity of the small propensity of the small propensity (and in small propensity of the small propensity of the small propensity (and in small propensity of the small propensity of the small propensity (and in small propensity of the small propensity of the small propensity (and in small propensity of the small propensity of the small propensity (and in small propensity (and in small propensity of the small propensity (and in small propensity gruesome. "Special care needs to be taken when dealing with guage of Bank bulletins: The propensity of the public (and, in some cases today, machines)

to do strange things to bank notes remains undiminished." the post."
Fire and water are probably Bank policy is to pay the value of notes either in full or not at all. Judgment is based either on predetermined criteria or a judicial assessment of

erit. In some other countries, it observes sniffly, "mutilated notes presented for payment are paid only in proportion to the areas of the remains submitted."

machines. Some tales, it says,
"are so strange that they seem
unlikely to have been
invented." The mutilated ladies are skilled in examining heaps of charred and shredded notes. Fragments of metallised thread, which sometimes sur-vive the surrounding paper, can give clues but "a thin strip Since 1975, when the office moved to Newcastle, they have of blackened metallised material is not in itself evidence of

a destroyed note."
Sometimes the work turns

notes contaminated by body fluids and noxious substances . . . They should of THE MESSAGE in the latest course never be sent through

the most common cause of damage. Some notes have been laundered - literally. "It is as true today as in 1963 that some of the products of detergent manufacturers

could claim, among their other characteristics, the ability to reduce a bank note to a white sheet of paper," the Bank says. Where two people present different parts of the same note, each is informed of the address of the other and the fragments stamped "valueless

without other portion."
If notes are damaged beyond recognition - maybe reduced to ash - staff at the Bank's print-ing works are called in for a scientific analysis. No payment is made when there are no identifiable remains.

Third World export markets 'will slow'

By Raiph Atkins

CROWTH IN the export markets of developing countries will slow sharply in the early 1990s; according to an article in the Bank of England

The Bank says the deterioration in accommencial banks. Net direct investment into developing countries is also forecast to remain high.

The Bank says the deterioration in accomming prosperts out-

bulletin. Slower demand in Europe and North America will help and North America will help trim overall export market growth of 27 selected developing economies. The figures could fall from 11 per cent in 1988 to 5 per cent in 1992, the Bank predicts.

The worst affected countries will be those dependent on

will be those dependent on European markets. These include highly-indebted, middle-income Latin American countries.

Relatively rapid economic growth in Japan and newly industrialised economies such as Hong Kong and South Korea will, however, favour Asian developing countries. In contrast, the Bank says

scope for developing countries to increase imports is "gener-ally encouraging." Factors which will allow imports to rise include increased lending by the World

tion in economic prospects outside developing countries will contribute to a further widen-ing of the group's current account deficit. Overall, the imbalance is expected to reach in peak in 1990 before narrow-

However, more than half of the forecast increase in the overall current account deficit of the group between 1988 and 1990 is accounted for by only three countries - China, India

and Argentina.

The forecast deterioration in the total current account deficit may have been underestimated, the Bank of England

This is because it assumes further gains in competitive-ness and adjustment within the economies. These could be threatened by domestic unrest, of the type just witnessed in China, or by changes in governments.

Bank of England quarterly bulletin is that short-term interest rates will be staying high for a considerable time to come.

With the benefit of hindsight the Bank has concluded that the economy was growing more rapidly and with greater inflationary pressure than was thought when monetary policy was first tightened last sum-

The Bank's view is that the near doubling of bank base rates over the past year is dampening demand and that inflation, as measured by the retail price index which includes mortgage interest rates, has probably peaked. However, evidence that the economy is responding to the tightening is "by no means yet complete."

But there is some good news. According to the Bank domes-tic demand grew hardly at all in the first quarter while in 1988 it grew at an average quarterly rate of nearly 2 per cent. House prices have stopped rising in Britain as a whole and in the south-east they have begun to fall. Consumer spending has declined, particularly in the durable

goods sector.
Reflecting the housing slow-down, quarterly spending-on consumer durables is run-ning almost 5 per cent below the peak reached in the third quarter of last year. Real personal disposable income increased by only 0.5 per cent in the first three months of the year, compared with a 4 per cent rise in the fourth quarter

of last year. The Bank says investment in the first quarter was "surpris-ingly flat." The growth of company investment is also likely to slow from next year as companies adjust to narrower profit margins and their shift into overall financial deficit in 1988 and 1989. The picture of the balance

between demand and output is less clear cut. None-the-less, the Bank says that external trade statistics suggest that domestic demand is growing more slowly than output, particularly after the effects of recent production problems in the North Sea are taken into

Unit wage costs Whole economy 2% — Underlying earnings Manufacturing |-- Underlying unit wage costs

gradual improvement in Britain's current account and visible trade balances after a decline in the visible deficit to £11.7bn in the first half of 1989 from £12bn in the second half of last year.

The problem is that this

slower growth has not yet had any marked effect on the labour market. There are some signs that labour market condi-tions may be easing with a modest slow-down in the rate at which unemployment has fallen in recent months. Despite a pick-up in the growth of underlying earnings in manufacturing to a 9.25 per cent annual rate in May from 9 per cent previously, the Bank judges that earnings growth in the economy as a whole was stable for most of the first half of this year.

But wage settlements are continuing to rise, especially in areas where agreements have been running at around the rate of retail price inflation. Wage pressures following the acceleration of prices have played a major part in triggering recent industrial unrest. Wage settlements have also failed to reflect the differing levels of productivity gains in the manufacturing and the services sectors, the Bank con-

In manufacturing a 6 per cent growth in output per head has limited the growth in unit wage costs to around 3 per cent account. This implies a further per year. In the private serwage costs may be rising by 8.5 ment has continued to rise and earnings grow strongly.
The private services sector is

because of their better produc

cent.
The Bank warns that if retail price inflation is to fall from June's 8.3 per cent level to the 2.5 per cent rate envisaged by the Government in its medium term planning, unit labour costs will have to either fall or

of low inflation countries like West Germany which are Britain's most successful com-

lower output and employment. Another risk centres on ster-

terms, "might have to stay high longer than had been

Bank of England Quarterly Bulletin, Vol 29, Number 3 August 1989. Economics Divi-sion, Bank of England, London EC2R 8AH. Annual subscription (UK) £27.

vices sector, however, unit per cent a year as output growth has weakened, employ-

emerging as an Achilles' heel of the British economy with the Bank holding it responsible for much of the acceleration of retail prices, excluding mort-gages, to the current level of around 6 per cent from 4.5 per cent over the past year. By contrast manufacturers. tivity, have brought the annual rate of increase in their output prices down to less than 5 per

grow very slowly in sectors like manufacturing, where pro-ductivity grows quickly. That has been the experience

The Bank believes that slower economic growth should cause underlying inflation to fall gradually. But there are risks. On the one hand, the bank fears that confidence could crack, generating a large cut-back in spending by the private sector that would pro-duce a faster reduction in inflation and the current account deficit but at the cost of much

ling, where a significant fall in the exchange rate, such as hap-pened in May, could jeopardise the counter inflation strategy. In May the Bank responded by raising bank base rates by one percentage point to 14 per cent. And because of the risk to sterling, the Bank says that short-term interest rates, although already high in real

71/2% Convertible Subordinated Debentures Due April 15, 2000

price of \$1,076.25 for each \$1,000 principal amount of Debentures (the "Redemption Price"). Payment of the Redemption Price will become due and payable on all Debentures on the Redemption Date and will be made by the Company at any time on or after the Redemption Date upon presentation and surrender to the Agent or a Paying Agent of the Debentures and all unmatured coupons. On and after the Redemption Date, interest on the Debentures will cease to accrue.

The conversion right described below will expire at the close of business at the offices of the Agent or Paying Agents on August 21, 1989. The Debentures will no longer be deemed outstanding on or after the Redemption Date and, except for the right of the holders in receive the Redemption Price, all rights with respect to the Debentures will cease after the Redemption Date.

Holders of Debentures have, as alternatives to redemption, the right to self-Debentures through usual brokerage facilities and the following further rights:

Convertion of Debentures into Common Stock.

fractional share) having a market value greater than the cash they would receive on recemption of their Debentures.

Each convention shall be deemed to have been effected immediately prior to the close of business on the date on which such Debenture and all unmatured coupons shall have been surrendered and written notice of conversion sufficiently completed shall have been received by the Agent or Payling Agents at one of the addresses specified below, together with appropriate documentation. At such time the rights of the holder of such Debenture as a holder will cease, and the person in whose name any certificate of certificates for shares of Common Stock shall be issuable upon auch conversion shall be deemed to have become the record holder on that date of the shares represented thereby.

Addresses for Delivery of Debentures for Convention or Redemption

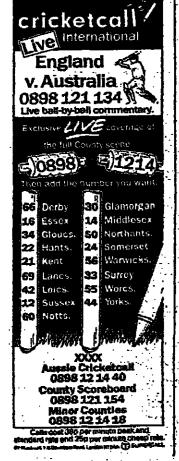
(For Registered Debentures only)

The Chase Manhattan Bank, N.A. London Branch Woolgate House, Coleman Street London ECEP 2HO England Chase Manhattan Bank Luxembourg S.A. 47 Boulevard Royal, CP 260 Luxembourg

rtandse Creditebenk, N.V. Herengracht 458 terdam, The Netherlands

This Notice is not intended as a splicitation or as advice to convert your Debentures. He is summary, you have the following three afternatives.

THE ST. PALE, COMPANIES, INC.



Kevin Done examines the mechanics of the country's biggest retail motor group

HE RADICAL behind-the-scenes restructuring of Nissan UK, the biggest retail motor group in the UK, and the emergence of Union Bank of Switzerland as the majority shareholder in the company's dealership operations, are the latest surprise twists in a saga that has mesmerised the UK motor

More Nissan cars are sold in the UK than all other Japanese

Mr Botnar and Nissan UK's makes combined. Nissan captured 6.4 per cent of the British car market in the first half of 1989 and the share is rising rapidly as output of UK-built cars grows from Nissan Motor of Japan's assembly plant in Sunderland.

The company responsible for carving out this considerable slice of the UK new car market is not , however, owned by Nissan of Japan.
It is the fruit of the labours

of Nissan UK, a privately-owned company led by Mr Octav Botnar, a publicity-shy entrepreneur who took on the franchise for importing and distributing Nissan vehicles – then sold under the Datsun name - in the UK in 1970.

At the time Japanese cars were more a subject of easy jokes, rather than competitors to be respected and feared. Mr Botnar, now 75, is a short, stocky man with a round

smiling face, but a reputation in the industry for ruthless-ness and arrogance. He abhors personal pubicity, although he is ready to talk about the company, if not its

ultimate ownership.

A West German national according to Nissan UK's annual returns filed at Companies House - Mr Botnar arrived in Britain in 1967 from the motor business in West Germany, to reorganise the UK

concession of NSU. When NSU and Audi were merged in Germany, Mr Botnar handled both UK franchises until the Thomas Tilling Group, which already had the concession for Volkswagen, NSU-Audi's parent company.

Mr Botnar, with a couple of colleagues from NSU including his right hand man Mr Michael Hunt, took on instead the franchise for Datsun, a relatively unknown make in the UK.

The franchise has made Mr Botnar into one of the most powerful figures in the UK motor industry and it has

in 1970 Mr Botnar built Nissan registrations to more than 68,000 a year in the second half of the 1970s when Japanese car imports were hit by the "gentlemen's agreement" between the UV and Japanese the UK and Japanese motor industries. This effectively lim-

success - Britain is by far Nissan's most important European market - played an important role in Nissan Motor of Japan's momentous decision to set up

plant in the UK.

Sunderland production
began in 1986 and the Nissan
dealer network in the UK is

the extra volumes.

By last year the Nissan marque had climbed to fifth place in the UK new car mar-ket, ironically leap-frogging the Volkswagen group in the pro-

more than 1.5m vehicles since it started in the late 1960s. The Nissan UK Group, as the exclusive Nissan importer/dis-tributor, is facing the task of gearing up to sell around 100,000 additional units a year in 1992-93 - in effect doubling

According to Mr Botnar the company is aiming to increase car sales this year to 150-160,000 from 134,724 in 1988. Seeing little chance of independent dealers expanding fast enough or having sufficient financial resources to cope with this rising wave of output. Mr Botnar has poured Nis-

Under the name AFG (Automotive and Financial Group) Nissan UK has invested more support to new operators

At the beginning of the year AFG, Nissan UK's retail com-pany, owned 171 Nissan out-lets, which Mr Botnar was expecting to account for more than 50 per cent of all 1989

No other car importer/dis-tributor in the UK has such a far-reaching ownership control of its retail car network. In January this year there were 414 Nissan car outlets, of

expanding again to cope with

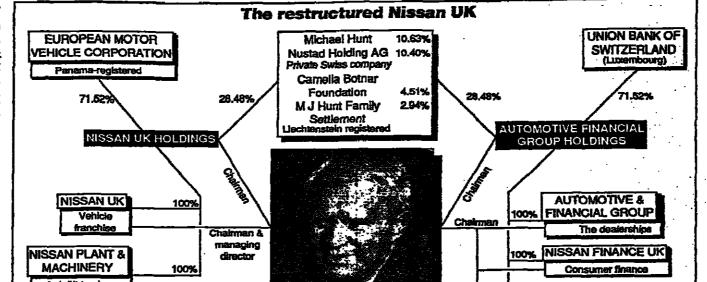
Datsun/Nissan UK has sold

sales in 10 years.

san UK's own resources into

than £250m in new dealerships as well as offering financial in a dealer development

Nissan UK car sales.



which 109 were independent dealer outlets, 82 were small independents, 35 were development dealers, which Nissan UK was helping to finance, and 17 were associates belonging to Nissan UK directors or former

directors. There are now 182 AFG outlets. Backing this operation is Nissan Finance UK operating in dealer and customer finance with total receivables of

While it is possible to track the business success of Nissan UK, unravelling the ownership web is a far more complex

It rapidly runs into brick walls in Panama, Switzerland and Liechtenstein

The picture has been further complicated by quiet manoeuvres of recent months in which Mr Botnar has masterminded the splitting up of the old holding company Nissan

Two new companies have been formed, Nissan UK Hold-ings (NUKH) and Automotive Financial Group Holdings

capital of both Nissan UK

Mr Botnar, now chairman of both of these companies, has separated the Nissan concession for the wholesale distribu-tion of vehicles, spare parts and forklift trucks (NUKH) from the retail, finance and transport businesses (AFGH). NUKH owns the entire share

(which holds the Nissan vehicle franchise) and Nissan Plant and Machinery, the forklift truck distributor.

AFGH has been formed as a separate holding company for the retail, finance and transport operations and owns the entire share capital of Automo-tive and Financial Group AFG (the dealerships), Nissan Finance UK (finance), and Car Removal (vehicle transport). Prior to the reorganisation

Nissan UK, the previous mas-ter company owning both the Nissan importer/distributor franchise and the dealerships, was owned:

• 71.52 per cent by Panama-registered European Motor Vehicles Corporation. • 10.63 per cent by Mr Michael Hunt, a director of both NUKH and AFGH. ● 10.40 per cent by Nustad (Holding) AG, a private Swiss

• 451 per cent by the Camelia Botnar Foundation, named after Mr Botnar's daughter. ● 2.94 per cent by the M.J.Hunt Family Settlement through the Liechtenstein-registered Protec Trust Manage-

ment Establishment. According to Nissan UK this is still the ownership of NUKH. In AFGH, however, Union Bank of Switzerland has taken over from the European Motor Vehicle Corporation as the majority shareholder. Mr Anthony Fraser, recently

apppointed external affairs director of Nissan UK, says that AFGH now comprises around 70 per cent of the previous Nissan UK assets, includ-ing the dealerships, the dealer and customer finance business, and the vehicle transport busi-

Mr Botnar is a major donor to charities. Nissan Group donations to charities totalled £2.1m last year in addition to £2.25m paid to a charity as dividend. He is also reputedly one of the richest individuals in the UK. Recently a Sunday Times Magazine survey declared him the ninth richest person in the country worth £1bn, based on his holdings in Nissan

Mr Fraser insists, however, that Mr Botnar has not held any shares in Nissan UK for 15 years, when he settled his shares in favour of charities following the death of his only child in a road accident.

The Camelia Botnar Foundation previously owned 4.51 per cent of Nissan UK and now owns the same percentage of NUKH and AFGH. Mr Fraser insists that the rest of Mr Botnar's previous shares are now held "by an overseas charity or charities which hold them through European Motor Vehicles".

Mr Fraser says that Mr Botnar has no interest in EMV, has no shares in AFGH, and

of Switzerland (Luxembourg). The mystery about the ulti-mate ownership and control of both NUKH and AFGH remains, however, and the choice of Panama and Switzerland for the placement of ulti-mate ownership is hardly designed to illuminate.

100% CAR REMOVAL

Vehicle transport

Nissan UK refuses to reveal: • Which are the overseas charities behind Panama-registered EMV. What are the charitable works they exist for, and who controls them. (It does reveal, however, that recent donations have included £8m to the Great Ormond Street Children's Hospital Appeal, 21m to the Royal Ballet train-ing school and \$20m to the Camelia Botnar Foundation.) Who decided that these charities should dispose of

their major asset, namely a majority stake in AFGH, the Nissan dealershipa.

• What control role has been assigned to Union Bank of Switzerland (UBS) along with its 71.52 per cent stake in

Nissan UK said that all ques tions about Panama-registered EMV should be referred to its representative on the NUKH board, Mr Manfred Weder. The Companies House regis-ter shows that Mr Weder is a

Swiss solicitor. Speaking from his home in Thal, Switzerland, Mr Weder said: "I give no interviews out of principle. I have never done this. I have nothing

to say," and slammed the phone down.
For UBS an official insisted that its recently acquired AFGH shareholding was an investment made by the bank on its own behalf and was not

a nominee holding:
"This is bank internal business. This is very difficult and has to be handled very carehas to be nanded very take fully. We do not talk about our plans." It is clear, however, that UBS along with being the majority owner of the largest UK retail motor group — in a market where financing is becoming a major sales tool -is now also the majority shareholder in one of the top ten UK finance companies in the shape of Nissan Finance UK.

of Nissan Finance UK.

While Nissan UK says that
Mr Botnar has settled his
shares on charities, presumably taking him out of the
stakes long ago as one of the
richest men in Britain. Mr
Michael Hunt, deputy chairman and assistant managing
director of Nissan UK and a
director of both NUKH and
AFGH has maintained his AFGH, has maintained his interests, both directly and through his Liechtenstein-registered Family Settlement.

These holdings earned divi-dends last year alone of £8.1m. As NUK chairman Mr Botner was paid a salary of £175,000, up from £140,000 in 1987. Further blurring the picture

for the future it appears that the splitting of the Nissan UK assets will mean that the group no longer has to prepare consolidated accounts. In the latest Nissan UK annual report est Missain OK annual report the dealership assets have already been subtracted, and the company says that as a subsidiary of NUKH it is no. longer preparing group

The Nissan UK annual report maintains that these. new companies (NUKH and AFGH) "now operate entirely independently of each

At the same time, however, it admits, that Mr Botnar is chairman of all the companies. both the holding companies and the operating subsidiaries; that Mr Hunt is another principal director of both holding companies, and that the two holding companies share the same company secretary, Mr Peter Hirsch, as do NUK and AFG, the main operating sub-sidiaries of these two separate holding companies.

Big role for Shorts in Canadian jet project

SHORT BROTHERS, Belfast atterant and missiles company, is to play a leading role in developing Canadair's new 50-sest regional jet alt-liner, it was announced yester-

cay. Canadair is the sircraft sub-sidiary of Bomburdier, the Canadian group which is acquiring Short Brothers inter

this year.
The Belfast company will design, build tooling and manufacture important structural components for the jet. The initial order is thought to be worth about 550m.

It will make the centre secit will make the centre sec-tion fuselage, the fore and aft fuselage extension plugs, the wing flaps, allerous, spoile-rous, and inboard spoilers. Under the agreement the ini-tial batch of 56 sets are due for delivery to Canadair's assem-bly plant in Montreal by July

1990. Mr Robert Wohl, president of Canadait's newly formed regional fet division, stressed the need for Short Brothers' capability and long experience in the design and manufacture of complex air frame struc-

Mr Wehl said: "World capacity in the abreraft industry is currently outstripped by hugo demand. We are most fortunate to have the full resources of our new partner on our side. We predict a denand of 400-500 regional jets in the next decade and teaming with Shorts will help us to meet that demand.

mr. Roy McNulty, Shorts managing director, underlined the necessity of finding quali-fied manufacturing partners when bringing new aircraft to markeis.

He said the company was extremely pleased to be work-ing in partnership with Cana-dair to build a new aircraft of design and production in its manufacturing and aircraft division.

regional jet project when the Bombardier takeover was announced. However, Mr McNulty sald work on the new McNulty said work on the new Canadair jet would match the volumes of work anticipated for FJX and would be available much sooner. Design work has already started.

The Canadair jet was formally launched in March with the first flight scheduled in the spring of 1991. Certification agreeted in the spring.

tion is expected in the spring of the following year. To date 116 regional jets have been ordered by eight

airlines in seven countries. Airlines aiready committed include Air Nove of Canada, Alisarda of Italy, Ansett Worldwide Aviation Services Australia, British Airways UK, DLT of West Germany, and Sky West of the US. The acquisition of Short

Brothers, which has been approved by the European Commission, will give Bom-bardier annual sales of about £2bn, of which some two thirds would be exports.

Profit expectations fall sharply

A SHARP worsening of business expectations in Britain has been largely offset by increased confidence elsewhere in Europe, according to Dun & Bradstreet, the US busi-

ness information group. The group's latest quarterly business opinion survey involved interviews with nearly 10,000 executives in 10 countries. It found a sharp drop in the number of British businessmen expecting increased sales and profits in the current quarter compared with the same period of last Notably in West Germany the number of businessmen expecting higher profits and

sales increased. On the strength of its latest survey, which was carried out in June, Dun & Bradstreet said its index of British sales optimism has fallen to 51 from 70 a year and a half ago. In West Germany, by contrast, the sales optimism index has risen to 60 from 34 over the same

For Europe as a whole, Dun & Bradstreet said, its sales optimism index dropped 4

ter from 61 three months ago. The sales optimism index for North America fell to 63 from

In spite of signs of weakness in Britain and North America global business expectations have remained stable, according to Mr Joseph Duncan, Dun & Bradstreet's chief economist He said: "On a combined

overall basis, worldwide expec tations for increased sales and profits remain fundamentally strong," and lent support to a "soft-landing" scenario for the world economy. points to 57 for the latest quar-

Oil flows from N Sea fields

THE NORTH Sea's newest oilfields yesterday entered production, sending oil down a 120-mile pipeline to the Orkney islands.

The Rob Roy and Ivanhoe fields, operated by Amerada Hess 90 miles north-east of Aberdeen, will supply the Flotta terminal operated by Occidental, the oil group. Flotta, which reopened in

January after a six-month shutdown following the Piper Alpha disaster, will initially handle 150,000 barrels a day. Production should rise to 230,000 barrels by the end of

History teaching changes urged

BRITISH schoolchildren should spend more than 50 per cent of their classroom history time learning British history, Mr John MacGregor, Education

Secretary, said yesterday.
Mr MacGregor's comments came in a forward to the interim report from the National Curriculum History working group, the body set up by the Secretary of State to advise him on attainment targets and programmes of study for history for 5 to 16-year-olds,

published yesterday.

The working party a core programme with British history at its centre, but which included European and world

The report proposed that schools should develop and design options themselves, drawing on their individual expertise and on their local history.

However, Mr MacGregor is unhappy that, under those plans, less than 50 per cent of classroom history time would be spent on British History. "I should like the group to

increase this proportion by developing additional core units devoted to British His-

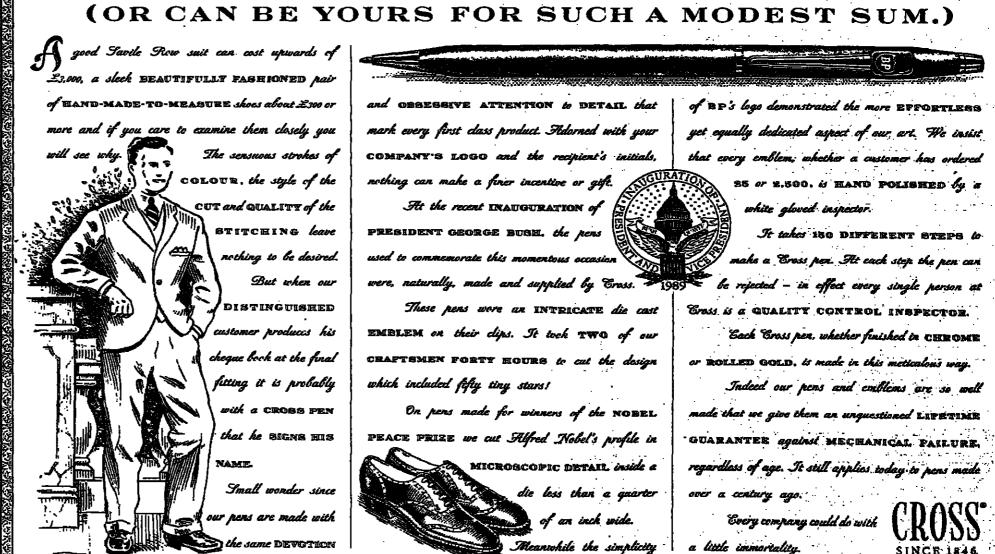
tory, he said. The history working party said its programme was based on a "broadly, but not inflexible, chronological approach in

each key stage."
Mr MacGregor agreed that chronology was necessary for the study of history but suggested the group should give clear recommendations on chronological framework for

history lessons.
National Curriculum. History Working Group. Department of Education and Science, Man-den Hall, Staindrop Road, Dar-lington, Co Durham DL3 9BG.

FEW THINGS ARE AS WELL MADE AS A CROSS PEN.





The state of the s

A rara avis flying round Europe

Truly international managers are few and far between. Mauro Marcucci, chief executive of ComputerLand Europe and a classic example of the breed, tells Michael Skapinker of his jet-setting life

Euro-executive suggested that these rare beasts were likely to come from the Netherlands, Belgium or Scandinavia.
The study, by headhunters
Saxion Bampfylde, did not
mention Italy as a likely source of international managers.
Mauro Marcucci, however,
would surely satisfy anyone's
definition of a Euro-executive.

A graduate of the University of Pisa, he lives in Wimbledon, has an English wife, and is chief executive of Computer-Land Europe, a computer franchising company with its head-quarters in Luxembourg. Before joining ComputerLand in 1987; he spent 17 years with IBM, working for the company in Genoa, Milan and Paris, as well as in Austin, Texas, and Brentwood, Essex. In the late 1960s he worked for Rank Xerox in Florence.

The Saxton Bampfylde study said that there were very few genuine: Euro-executives people who could operate with

recent search for the equal confidence wherever they were in Europe. One of suggested that these the obstacles to becoming a Euro-executive was the punishing travelling schedule of a modern international manager. A typical week for Marcucci,

50, would find him spending Monday in London. On Tuesday morning he might leave for Italy, returning to the UK on Wednesday night. Thursday would find him in Luxembourg and Friday in Paris. He estimates that he spends 65 per cent of his time translling to cent of his time travelling to Luxembourg and to the com-pany's 128 computer stores across Europe.

We do not know what his wife and three children think of this, but Marcucci insists that his family has benefited from his international career. His two daughters, aged 21 and 19, are trilingual. (His son, who is 10, has not lived in quite as

many places as his sisters.)
"The girls never isolated themselves when they lived in different countries. In the

States, they went to a local

EDGE

school. It was the same in Paris. It broadened their minds," he says. Both are now students in the UK. One is at business school. The other is about to start art college.

Marcucci says, however, that it was fortunate that most of the family's moves coincided with changes in the daughters' lives. "We made our first move when they had just started school. When we went back to Italy it was just at the time they were starting secondary school. That was not deliber-ate. It was luck. It just hap-pened. I can't say there were no problems. I just think there were many more pluses than

minuses," he says.

An executive at Shell UK recently told researchers from Ashridge Management College that the number of managers prepared to subject their families to a life of constant movement was getting smaller. But Marcucci does not think that managers have changed that much over the years.

always been a problem," he says. "Today, however, compa-nies need to move people around much more, so the problem is now bigger. But the nature of the problem is the

"Moving people around has

The second change, Marcucci says, is that many more women work today. When managers move to other countries, their spouses' careers are also likely to be disrupted. Companies which transfer managers abroad should try to find jobs for the spouses too, he says.

Companies should also try to give managers international experience when their families

are younger. "When your children are young, it's easier to move. It's easier for them to learn languages. As they get older, they are less willing to make changes. Children develop relationships that they become much more reluctant to break. Taking a young kid out of school is easier than taking a teenager out of school." Apart from a readiness to uproot their families, the Sax-

ton Bampfylde study stressed the languages skills that managers would need to operate throughout Europe. Marcucci speaks Italian, English and adequate French. In Spain, he says, he gets by in Italian. He does not speak German, which he regards as a drawback. A young manager who wants to be effective in the single European market should master English, French, German and

Spanish, he says.

The study said it was a good idea for Euro-executives to spend some time working for a multinational company - pro-vided they didn't stay too long starting point for a Euro-execu-tive. "I would say that it is



Mauro Marcucci: companies which transfer managers abroad should try to find jobs for their spouses

and become immured in the corporate bureaucracy.

Marcucci thinks, however,
that a multinational company is not necessarily the best

more important for them to be working in an international environment than to be working for a large multinational company. You can be in a multinational company and still be working in a national part of

the business. It might be better to go and work for a small or medium-size company with an international outlook,"

Marcucci spent 17 years with IBM. By the Saxton Bampfylde measure that is probably too long for a Euro-executive, who needs to retain a flexible and entrepreneurial outlook. "You don't leave a company like IBM without giving it a good deal of thought," he says. "But they don't keep everyone for life. I saw opportunities in ComputerLand that I didn't want to

Although IBM is reputed to have a uniform international culture, Marcucci says that when he worked for the company in Texas in the 1970s he realised there were differences between US and European executives. An American IBM employee is more closely tied to the company than his counterpart in Italy, for example. "An Italian IBMer is more of an individual than an IBMer in the States," Marcucci says.

*The Search for the Euro-Executive. Saxton Bampfylde International, 35 Old Queen Street, London SW1. £49. **Shaping the Corporate Future, by Kevin Barham and Clive Rassam. Unwin Hyman. £12.95.

The ups and downs of diversifying away from the core

Kenneth Gooding explains how a French study assessed the success rate of changes of direction among natural resources companies

ompanies which have a very clear idea about their own skills and strengths - they know their metter in other words are much more likely to succeed with diversification moves, according to a study by l'Ecole des Mines de Paris, one of the exclusive group of French Grandes Ecoles.

Companies which move into areas totally unrelated to their existing operations are the least likely to succeed with diversifica-

tion attempts, it says.

That might be a familiar story but one of the significant aspects of this study was the way success or failure was measured.

L'Ecole studied the main diversi-fication moves of 13 major metals and minerals companies during the

past 20 years - "diversification" meaning developments which led to the marketing of new products, whether they were goods or services, or the opening of new mar-

The method used in the five-year techniques or financial analysis. A the study also assumed that, if a diversification move involving an company retained the new activity outlay of several million dollars, within its corporate structure, the

for example on a new plant, was counted equally with a move cost-ing only a few thousand — perhaps on the development of a technical process for recovering a by-prod-

But diversification moves were

One of the significant aspects was the way success or failure was measured. The method used did not rely on accountancy techniques or financial analysis.

weighted by their consequences. Included in the evaluation was the simple expedient of asking managers whether they thought their company's diversification had been

Divestment was a prime measure of

failure. Paulo de Sá, senior economist at l'Ecole's Centre d'Economie des Ressources Naturelles (CERNA) points out that minerals and metals companies were first driven to diversify by the deep recession and then, when prices recovered, by a search for new bases from which to build future growth. They were also driven by the knowledge that changing technology and evolving consumer tastes might make them highly vulnerable.

Small mining companies with limited skills on which to build should have no difficulty identifying their métiers. But a key choice among larger companies with several skills is the selection of the one on which to build diversification, savs de Sá.

During the recession some mining and metals groups successfully diversified into materials such as minor and speciality metals and ceramics. The cash requirements were small compared with other commodities.

Ironically, this means that these

্যাত্র ক্ষুণ হৈ লগে গাড় গাড় প্রতিষ্ঠা ব্যক্তি বিভাগ ক্ষুণ বিভাগ ক্ষুণ

diversification was successful. activities are not big enough to absorb the huge cash flows being generated by base metals today. The best opportunities, according to de Sá, seem to be diversifications into metal fabricating and manu-

facturing.
Not only have metals groups successfully moved into these areas in the past but these operations also require considerable cash outlays. The cyclical nature of the metals business leads to the idea that a wide spread of products and activities was a good hedge against the patterns of demand — this became

a popular concept in the mining and metals industry in the 1980s. However, l'Ecole's research showed that the holding, or non-specialised, company was just as vulnerable as the specialised one. De Sa quotes the example of Imetal, the French holding com-pany in the non-ferrous metals business, which accelerated diversification in the early 1970s in order

of its core operations. But the company was unable to develop new skills from these activities and they did not compensate

to compensate for the weaknesses

for the severe losses arising from its base metals operations. He also points out that Amax. the US group, was once considered one of the most diversified miner-als and metals companies but it had to renounce most of its operations during the 1980s to con-

centrate on four core businesses. [Amax now seems intent on diversi-

fying again and has bid for Falconbridge, the Canadian nickel producer].

And Phelps Dodge, the biggest copper producer in the US, had to sell off its mining-related diversified operations to survive the recession in the early 1980s. Phelps

Dodge has now started diversifying again — this time into unrelated areas with different business cycles from copper. Past experience casts doubt on this strategy, according to de Sá, as it does on the recent move by Pechiney, the state-owned French aluminium producer, into can pro-duction via the purchase of Ameri-

can National Can in the US. "Although good synergies exist between semi-fabricated products and other upstream activities, the

patterns of competition in this area (can making) are different from those prevailing in commodity markets and growth requires the development of specific skills," he points

He says that, although demand

Included in the evaluation was the simple expedient of asking managers whether they thought their company's diversification had been successful.

for commodities such as copper and other base metals is very cyclical, such commodities provide excep-tional returns on investment for

low-cost producers in times of Consequently, the recent recovery in metal prices has seen several

companies, including RTZ of the

UK, CRA of Australia and Boliden of Sweden, moving "back to basics" and their core businesses.

These companies and others such as Alcoa, the US aluminium group, which has moved strongly back into packaging from its core aluminium operations, and Metallgesellschaft of West Germany, which is developing its commodity business to match the needs of its main activity - trading - have made their choices about future direc-

The study identified companies in two other categories. There are those such as Inco, the Canadian group which is the world's biggest nickel producer, which have always stuck to their core businesses. And there are those such as Noranda, the Canadian natural resources group, and Outokumpu, the Finn-ish mining and metals company, which currently seem to be in a dilemma about which diversifica-tion activities to concentrate on. Horizontal Diversification of Min-

erals and Metals Companies. Con-tact Paulo de Sá, CERNA, l'Ecole des Mines, 60 Boulevard Saint-Michel —

FIDELITY DISCOVERY FUND Société d'Investissement à Capital Variable 5, boulevard de la Foire - Luxembourg R.C. Luxembourg 22250

remain Entre- (CD) and Country of the control of

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Notice of Angual General Meeting

NOTICE is hereby given that the Armual General Meeting of the Share-holders of FIDELITY DISCOVERY FUND, a societé d'investissement à capital variable organized under the laws of the Grand Duchy of Luxenbourg (the «Fund»), will be held at the registered office of the Fund, 5,

Boulevard do la Foire, Luxembourg, at 11:00 a.m. on August 31, 1989, specifically, but without limitation, for the following purposes: 1. Presentation of the Report of the Board of Directors; 2. Presentation of the Report of the Auditor:

3. Approval of the balance sheet and income statement for the fiscal year

4. Discharge of the Board of Directors and the Auditor; 5. Ratification of the co-option of Jean Hamilius as a Director of the Fund

in replacement of Compagnie Fiduciaire; Election of seven (7) Directors, specifically the reelection of the following seven (7) present Directors: Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Frasor, Jean Hamilius, Hisashi Kurokawa, John M. S. Patton and H. F. van den Hoven;

7. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg;

8. Declaration of a cash dividend on the Fund's Class A shares in respect of the fiscal year ended April 30, 1989 and an equivalent dividend on the Fund's Class B shares and authorization of the Board of Directors to declare further dividends in respect of fiscal year 1989 if necessary to enable the Fund to qualify for edistributors status under United Kingdom tax law:

9. Consideration of such other business as may properly come before the

Approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. In connection with the commencement of the Fund's offering of Class B (Yen-hedged) shares on May 22, 1989, the Fund's existing shares were redesignated Class A (non-Yen hedged) shares on that date. With respect to item 8, in order to approve the dividends, each class will vote separately its approval of the dividend to be paid on shares of that class, the affirmative vote of a majority of the shares of that class present or represented at the meeting will be required in addition to the affirmative vote of a majority of the combined classes present or represented at the meeting. Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of either or both Class A and Class B shares which constitute in the aggregate more than three percunt (3%) of the outstanding shares of both classes, each share is entitled

to one vote. A shareholder may act at any meeting by proxy. Dated: July 24, 1989 By order of the Board of Directors

PLACER DOME INC.

GOLD PURCHASE WARRANTS (issued by Dome Mines Limited, to purchase 0.02 troy ounces of gold per Warrant at a price of U.S.\$8.50 per Warrant (U.S.\$425 per troy ounce)

NOTICE OF TIME OF EXPIRY

NOTICE is hereby given that the above mentioned Warrants shall cease to be exercisable at and after 5:00 p.m. (local time at the place of exercise) on October 16, 1989. Warrants not then exercised shall be void and of no value or effect.

Each Warrant entities the holder thereof to purchase 0.02 troy ounces of gold at a price of US\$8.50, being equivalent to a purchase price of US\$425 per troy ounce of gold.

The offices of the Trustee and Warrant Agent to which certificates representing such Warrants may be sent or delivered in order to exercise thereunder the right to have the gold so purchased sold on the holder's behalf, are as follows:

Corporate Trust Services 74 Victoria Street, 4th Floor (P.O. Box 7500, Station "A")

Toronto, Ontario M5W 1P9 Compagnie Trust Royal 2001 University Street 16th Floor

(P.O. Box 700, Station 'B") Montreal, Quebec H3B3K3

The Royal Trust Company 330 St. Mary Avenue (P.O. Box 748) Winnipeg, Manitoba R2C2M2

333 - 7th Avenue S.W. 6th Floor, Dome Tower (P.O. Box 2955) Calgary, Alberta T2P 2Z3

The Royal Trust Company Royal Trust Tower 15th Floor, 505 Burrard Street (P.O. Box 2031) Vancouver, B.C. V68 3R7

Kredietbank S.A. Luxembourgeoise Corporate Agencies 43 Boulevard Royal

gold purchased pursuant to such Warrants, are as follows:

Luxembourg The branches of the Delivery Bank and its agencies at which delivery may be taken of the gold or Gold Certificates purchased under such Warrants, or of the net proceeds from the sale of

The Bank of Nova Scotia

240 - 8th Avenue S.W.

The Bank of Nova Scotia

Calgary, Alberta

The Bank of Nova Scotia 44 King Street West Toronto, Ontario

La Banque de Nouvelle-Ecossa 437, rue St. Jacques Ouest Montreal, Quebec H2Y 1P4

The Bank of Nova Scotta 200 Portage Ave. Winnipeg, Manitoba R3C 2R7

650 West Georgia Street Vancouver, B.C. Kredietbank S.A. Luxembourgeoise 43 Boulevard Royal

Luxembourg John A. Eckerslev Secretary
PLACER DOME INC.

August 10, 1969

This notice is important and requires the immediate attention of Bondholders. If Bondholders are in any doubt as to the action they should

Consolidated Gold Fields PLC ("Gold Fields") NOTICE

To the holders of the £110,000,000 63 per cent Convertible Subordinated Bonds Due 2002 of Gold Fields (the "Bonds") Proposal from Hanson PLC ("Hanson")

August 11, 1989

Hanson stated in its offer document dated July 14, 1989 that, to the extent that the Bonds were not converted prior to the date on which the increased Offer became or was declared wholly unconditional, an appropriate proposal would be made to the holders of the Bonds ("Boudholders") on terms which would take into account the special interim dividend, but not accrued interest, if any, provided that such proposal was implemented by September 30, 1989. The Increased Offer by Hanson was declared wholly unconditional on August 7, 1989.

The proposal from Hanson is that the Increased Offer from N M Rothschild & Sons Limited on behalf of Hanson extends to Ordinary Shares arising from conversion of Bonds.

The terms of the Increased Offer are £143 in cash and 11 New Hanson Warrants for every 10 Ordinary Shares of Gold Fields. Any holder of Ordinary Shares of Gold Fields arising on conversion of Bonds will be entitled to receive and retain the special interim dividend of 30p net, 40p gross, per Ordinary Share of Gold Fields in respect of the financial year ended June 30, 1989. In addition, any holder of Ordinary Shares of Gold Fields arising on conversion of Bonds may elect, whilst the Increased Offer remains open for acceptance, to receive an equivalent nominal amount (in multiples of £1) of 11% unsecured loan notes 1991/96 of Hanson in respect of all or part of the cash to which they would otherwise become entitled under the Increased Offer. Copies of the offer document and the Form of Acceptance relating to the Increased Offer can be obtained from Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA.

The directors of Gold Fields (other than Mr R A Plumbridge who has a conflict of interest and Mr A G L Alexander, Mr A R Cotton and Mr P J Turner who are representatives of Hanson), who have been advised by J. Henry Schroder Wagg & Co. Limited, recommend all Bondholders to convert their Bonds as soon as possible and to accept the Increased Offer.

The directors of Gold Fields (other than Mr R A Plumbridge who did not join in Board discussions concerning the Increased Offer and does not join in the recommendation relating thereto as he has received legal advice that, in view of his position as Chairman of Gold Fields of South Africa Limited and of Driefontein Consolidated Limited, who jointly control some 7.5% of the issued share capital of Gold Fields, he has a conflict of interest and Mr A G L Alexander, Mr A R Cotton and Mr P I Turner who are representatives of Hanson) accept responsibility for the information contained in this notice and belief of such directors (who have taken all reasonable care to ensure that such is the case), such information contained in this notice for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information

Bondholders are reminded that, subject as mentioned below, they have the option to convert at any time the principal amount of their Bonds into Ordinary Shares of Gold Fields, credited as fully paid, at a conversion price of £10.80 per Ordinary Share. In accordance with the terms and conditions endorsed on the Bonds (the "Conditions"), Bondholders are reminded that no accrued interest is payable on conversion. Bondholders wishing to exercise their right to convert Bonds and accept the Increased Offer must deliver such Bonds to any of the specified offices listed below of the Principal Paying and Conversion Agent or the Paying and Conversion Agents, accompanied by a duly signed and completed notice of conversion in the form obtainable from any such office, as provided in the Conditions and accompanied by a Form of Acceptance completed in accordance with the instructions on it. Each Bond so delivered should be delivered with all unmatured Coupons appertaining to it, failing which the relevant Conversion Agent will require payment of an amount equal to the face value of any missing unmatured Coupons as provided in the Conditions.

The attention of Bondholders is drawn to the Conditions and, in particular, to Condition 5 which contains further details regarding

Bondholders should be aware that Hanson proposes that in due course Gold Fields will issue notice to Bondholders of early redemption of all the outstanding Bonds on September 29, 1989. In this event, Bondholders' rights to conven will, in accordance with the Conditions, cease to be available on September 21, 1989.

> Principal Paying and Conversion Agent Bankers Trust Company 1 Appold Street Broadgate London EC2A 2HE

> > Paying and Conversion Agents

Swiss Bank Corporation 1 Aeschenvorstadt CH-4002 Basle

Banque Indosuez Luxembourg 39 Allee Scheffer Luxemboure

The coments of this notice have been approved by N M Rothschild & Sons Limited, a member of The Securities Association, solely for the purposes of Section 57 of the Financial Services Act 1986. The directors of Hanson accept responsibility for all information contained in this notice other than that relating to Gold Fields. To the best of the knowledge and belief of the directors of Hanson (who have taken all reasonable care to ensure that such is the case) such information contained in this notice for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import

SEARS OVERSEAS FINANCE N.V. To the Holders of Seers Oversess Finance N.V. U.S. \$150,000,000 10½% Guaranteed Notes Due August 1, 1991 (the "Notes")

Pursuant to the terms of the Notes and the Flocal Agency Agreement dated February 7, 1983 among Sears Quersass France N.V., Sears, Roebuck and Co., as Guerantor, and Continental Sank, National Association (formerly Continental Illinois National Sank and Trust Company of Chicago), as Piscal Agent and Phyrig Agent, notice is hereby given that Sears Overtees Finance N.V. witt redeem all of the outstanding Notes on September 12, 1989 (the "Redemption Date"). The inderrigion price for the Notes shall be 100/x/s of the principal amount of such Notes plus secrued and unpeld interest thereon to, but not including, the Redemption Date, payment of which will be made upon presentation and surrender of the Notes and, with respect to bearer Notes, the coupons matering subsequent to the Redemption Date. The Notes may be redeemed at any of the following locations, at the Notesholder's option, on or where the Redemption Date: Continental Bank House, 162 Queen Victoria Sheet, London ECAV 48S; Banco Hispano-Americano S.A.N.V., Rus de la Loi 227, Boussells; Algement Bank Nederland N.V., Vizelstrat 32, Antistendam, and Banque Internationate it Luxembourg S.A., 2 Boulevert Poyal, Lease Street, 1984 Floor, Cark Street side, Cricago, Birrois 80697.

Seans Department Florench N.V.

Seans Department Florench N.V.

TECHNOLOGY

13, the electric grid for the Canadian province of Quebec collapsed, blacking out 3m consumers for up to nine hours. At the same time short wave radio communications were obliterated worldwide, magnetic navigational systems gyrated wildly - and people as far south as the tropics enjoyed a rare sight of the aurora borealis or northern lights.

The trigger for all those events was an intense magnetic storm, caused by a huge solar flare which had erupted two days earlier on the surface of the sun and shot a beam of high-energy particles and radi-ation towards the earth. Further disruptive magnetic storms are expected over the next two or three years, as the 11-year cycle of solar activity passes through its peak - predicted for next year.

stand the fundamental causes of cyclical activity - sunspots and flares - on the solar surface, savs Mike Cruise of the Rutherford Appleton Labora-tory, in Oxfordshire, the lead-ing UK space science centre. and they still find it difficult to predict the level and timing of the most energetic outbursts. Even so, on the basis of the sun's behaviour over the last three years, many experts believe that the approaching "solar maximum" will be much more active than average, possibly matching the 1957/8 maximum which was the most spectacular on record.

Some aspects of industrial life have become more vulnerable to solar disruption since the late 1950s. Some modern electronic devices, such as

Clive Cookson explains the wide-ranging impact of solar flares on everyday life

Anxious watch on the sun's activity

those controling railway signals, could be affected by an intense magnetic storm, says William Stuart, who heads the geomagnetism research group at the British Geological Survey in Edinburgh.

He points out that contemporary navigational systems on ships and aircraft still depend on a magnetic reference, just like an old-fashioned compass.
"The magnetic north pole was wandering by as much as 10 degrees from its usual position during the magnetic storm in March," he says. That is enough to send an airliner many miles off course in a few Sudden changes in the

earth's magnetic field have implications far beyond obvious navigation. For example the March storm forced North Sea oil companies to suspend exploration work, because the delicate magnetic instruments guiding their drill heads were thrown out of alignment.

The most serious incident in March was the collapse of the Hydro Quebec grid, one of north America's main electricity distribution systems. "We had quite a lot of difficulty initially piecing together what happened, because our event recorders did not show that there had been any real faults," says a Hydro engineer. But a subsequent investigation showed that seven static compensators - devices to pre-vent voltage fluctuations on

tripped (shut down) within a period of a few seconds as a result of electric currents induced in the earth by the magnetic storm. That made the whole Hydro system unstable, and less than a minute later Quebec City and Montreal were blacked out. Power was restored over the following nine hours with the help of supplies from neighbouring Canadian and US utilities.

Isolated pieces of equipment tripped at the same time elsewhere in north America and there were voltage fluctuations in northern Europe, including Scotland and Scandinavia. But other grids survived without Hydro Quebec had the most

vulnerable system, with a combination of very long transmis-sion lines and a type of static compensator that is particu-larly liable to trip during a magnetic disturbance. The util-ity has now adjusted its compensators to make them trip less easily and imposed restric-tions on power transfers across the grid during periods when magnetic storms are expected. Unfortunately,

short-term forecasting of mag-netic storms is far from reliable. The magnetic storm alerts issued two days in advance by the British Geological Survey have about a 50 per cent chance of being followed by an actual disturbance, according to William Stuart. The BGS successfully forecast the March 13 storm but a similar warning in mid-June proved to be a false alarm.

An alert is issued when astronomers observe a large flare on the surface of the sun, throwing electrically charged particles (electrons, protons and ions) in the direction of and lons) in the infection of the earth. Radiation from the flare (X-ray and ultraviolet) travels at the speed of light and takes only eight seconds to reach us. This can do some damage, particularly to satel-lites in orbit.

But the flare's main impact is felt two days later when the charged particles reach the earth's atmosphere and inter-act with its magnetic field generating a magnetic storm. It is impossible with present scientific instruments to tell what particles have been ejected from the sun and whether they are beamed directly at the earth. In March they hit us; in June they missed and there was no

storm.
The best known effect of solar storms is on short wave (high frequency) radio transmissions. These travel round the world by bouncing off the ionosphere, the electrically charged layer of the upper atmosphere. Charged particles from a large solar flare can change the ionosphere so much that it no longer reflects the radio waves. Then short wave

vation_

World Service, Voice of America and their competitors fade out, and ship-to-shore conversations on high frequency radio are cut off. "The effect can be very sud-

den," says Ernie Croskill, sta-tion manager at Portishead Radio, near Bristol, British Telecom International's HF maritime communications centre, which handles 3,000 calls a day. "Half way through a mes-sage or conversation, the signals disappear into nothing. There's then an unearthly quiet - not even noise on the line – as if the receiver had stopped working. It's not unknown for ships' radio operators to get out their screw-drivers to fix it."

After half an hour or so the ionosphere starts returning to normal and the signals gradually reappear, though reception often remains poor for many hours after a fade-out. Smaller solar flares and supspot activity can also affect short wave radio propagation and force ships to move to different frequencies, without completely

disrupting communications.

Other forms of radio communication and broadcasting, which do not depend on the ionosphere for their transmission, are hardly affected by solar storms. According to the BBC, The March flare did not disrupt UHF television or VHF, medium wave and long wave

Long distance telecommuni-

cations, which use much higher frequency radio signals bounced off satellites, are also immune to solar interference. This is an example of technological progress reducing rather than increasing vulnerability to solar storms, as ships gradually replace their old-fashioned HF radio sets with satellite dishes. But, at present, only about 12 per cent of the 70,000 ocean-going ships use Inmersat, the international maritime satellite network.

Although solar storms do not directly affect radio trans-missions to and from communications satellites, the satel-lite itself suffers increased wear and tear" because of the radiation and particles during the "solar maximum" period, and it is vulnetable to damage because of the intense radiation generated by a large flare.
"You cannot attribute noise

"You cannot attribute noise on an international telephone call to solar activity," says Russell Silk, a satellite expert with British Telecom International. "But there is a remote possibility that something could suddenly go wrong with the satellite. All the calls it was handling would then fail." Although nothing like that has Although nothing like that has happened recently, Intelsat, the international satellite agency, has expressed concern about the possibility failure of its older spacecraft during the



scientific mission.

lites are in high "geostationary" orbit 36,000 km above the earth. Other spacecraft, includ-ing many military satellites and some scientific missions, use much lower orbits, a few hundred kilometres up. They face a different hazard: increas ing solar activity warms up the atmosphere and therefore makes it expand. This reduces the time a low-flying satellite can remain in orbit before it is dragged back into the atmo-

sphere and burns up. Solar Max, the scientific satellite launched in 1980 to observe the last solar maximum, is not expected to last beyond the end of this year. But it has carried out its full

Nasa, the US space agency, is much more concerned about its Long Duration Exposure Facility satellite (LDEF), launched in 1984 to test the effects of solar radiation on various materials. This was due to be retrieved by the space shuttle for laboratory examination on earth. But examination on earth. But delays to the shuttle programme following the Challenger accident mean it will be touch and go whether LDEF can be brought back before the beginning of next year, after which it might otherwise burn up in the atmosphere, destroy-ing 50 experiments and wast-ing 10 years of scientific work.

Clearing obstacles off the road from technology to industrial practice

technique for identifying obstacles to the smooth transfer of new technology into industrial practice in Britain has been developed by the Centre for Exploitation of Science and Technology (Cest).

It arises out of a study of British engineering companies' failure to make the best use of adhesives in manufacture, in spite of the apparent advantages. Cest is a think-tank set up at Manchester University last year by 20 big researchbased British companies to try to expedite the use of new technology. Its chairman, Sir Robin Nicholson, is technical director of Pilkington and a former chief scientific

adviser to the Government. The specific question Cest set out to answer was: why do British com-

panies fail to make widespread use of modern adhesives technology? The study, led by Jonathan Wil-liams, began with the premise that modern adhesives can offer British engineering companies advantages in design and manufacturing costs, even for highly stressed parts and assemblies. A famous British air-craft designer, the late R. K. Bishop

of De Havilland, used adhesives to assemble the Mosquito fighter-bomber in the Second World War. Cest targeted four engineering industries, reasoning that if they were persuaded to use adhesives to assemble highly stressed structures, other industries would follow suit. The four were aerospace, cars, machine tools and construction. The aim was to persuade them to rethink their assembly operations as an integrated opera-tion based on adhesives, and not simply to try to substitute glue for the prevailing ways of joining com-

In theory, the pay-off is enhanced product performance. A load can be transferred more evenly through adhesive (chemical) bonds, and disparate materials, previously thought to be unjoinable, can be stuck together. Thus new design opportunities open up.

In practice, the advantages of rives are widely discussed but rarely exploited.

Under the direction of Bob Whelan, Cest's chief executive, the study was organised through two working groups drawn from the four target industries. One was the project steering group, comprising Stewart Miller, Rolls-Royce's technical director, Ralph Smith, Jag-uar's chief engineer, and Whelan and Williams from Cest. The other was the technical advisory group (Tag), which was to identify the hurdles to exploitation and how to overcome them. Tag's members were drawn from users, suppliers, research organisations, professional bodies and government. Whelan says it is a unique forum for the discussion of the worries

Tag was uninhibited because its members had no direct responsibility for the technology and whether it was used. They were really a club, handpicked by Cest, with nothing more than an intellectual commitment to their task. "No one

that hold back investment in inno-

was lobbying, no one was prejudg-ing priorities," says Whelan. Tag was allocated just five meetings for

Aerospace was identified as the industry most enthused by adhesives, because of its advant saving weight. And it was willing to make the high investment in quality control. The industry's independent certification proce-dures gave its engineers confidence in the integrity of adhesive bonds.

But even aerospace was ham-pered by some of the hurdles identi-fied by Tag. It wanted more dura-ble adhesives to withstand more adverse environments, but these were not forthcoming. The aero-en-gine industry wanted adhesives that would stand temperatures up to 180 deg C, but the adhesive manufacturers were not willing to make the necessary investment in research and development. Tag recognised that a car maker

must often design for conditions-that are adverse even by aerospace standards. And, in the other target industries, there was no tradition of the clean-room manufacture used to achieve aerospace quality.
Tag feit that applied development
of adhesives technology and standardisation of practice should prog-

ress together. But standardisation procedures were not ready for this. The skill base within companies was far too small. Often expertise in adhesives came down to a single person. This led Tag to a more general conclusion about new manufacturing methods: that British companies failed to attach enough

importance to retraining its engineers in coming technologies. whelsn believes that the hurdles Tag has identified for adhesives apply to most new manufacturing technologies. That explains why they are not being transferred smoothly into UE industry.

The Tag approach works, he con-tends, because Cest can attract peo-ple willing to think about indus-trial problems in general. He likens its action to parallel processing by an advanced computer, as opposed to the serial approach to problems normally taken by a committee.

Cest's adhesives study will be published soon. The next target for investigation is British progress in health care technology.

David Fishlock

Putting it all together at ITI

Two national computer companies based in St James', London have joined forces. Ideal Business Systems, the Wang specialists, and Word Perfect, the training and consultancy company have meticulously laid the foundations for a total office automation solution using a wide range of hardware and software products marketed under the ITI label.

Recently appointed as distributors for the AT & T range of UNIX products, ITI offer Wang users a bridge to open systems and UNIX via Mail Exchange. Mail Exchange utilises Wang glossary to transfer data easily between systems whilst STARLAN is a flexible bridge to enhance or control existing or new networks.

ITI will continue to supply Wang systems, and an exciting range of add-ons as well as the UNIX products, IBM and their own 386 PC Range.

Installation, engineering maintenance, and software support will continue to be developed and provided by ITI based at their new, custombuilt engineering centre in Perivale. Amongst its skilled engineering work force are some of the country's leading specialists in UNIX, Wang VS/OIS, IBM and IBM clone PC products. ITI are ideally placed to supply, instal and support multi-vendor sites offering single vendor solutions for entire computer networks.



Jilly Curteis - Managing Director ITI

The engineering centre has been constructed within two units of the IMEX Business Centre in Perivale, and was opened by ITI's Managing Director, Jilly Curteis recently. Head of Engineering, John Quaid said, "The concept of concurrently reducing costs, enhancing excellence, and shortening response times by surmounting the logistical, and technical difficulties typical of today's highly sophisticated systems maintenance environment has been a major challenge".

UNIX based SERVASURE software will handle call logging, and logistics. Engineering sections will feature a live UNIX and Wang VS environment which has been created for soak testing new systems, repaired equipment, spares and networks. Fault details are logged and analysed, pinpointing problem areas which can be addressed before serious failures may occur. Invoicing routines will be automatic, making cost planning easier. Service agreements will be written to customer specification in order to cater for price sensitive, and critical performance items. Preventative maintenance schedules will be planned, and completed in a controlled



John Quaid - Head of Engineering ITI

John Quaid added, "Fast access to the right engineer, with the right spares, in the right place, at the right time, is critical to the success of any company seriously involved in the systems support and maintenance business. ITI's services ensure rapid location, retrieval, and coordination which will be guaranteed to speed up engineering solutions for the 1990's".

With increasing demand for open systems architecture, ITI protects current client investments by defining new systems and networks, as well as incorporating and enhancing those that already exist. ITI's expanding customer base is enjoying many benefits arising from their carefully planned approach to the computer business

Software support and training are key elements in the ITI philosophy. Already one of the top training companies for several years, ITI is expanding this side of its operations. The regular 60 plus courses currently scheduled on Wang and IBM applications will be complemented by a suite of courses for AT & T software products.

ITI have recognised that many companies have taken computing on board as a means of making their main business activities efficient and productive. However, the means of keeping abreast of developments which enhance systems and increase productivity are hard to find and expensive to employ. Since ITI are continuously in touch with software and hardware developments which are being introduced by a wide range of suppliers, their specialists are quick to evaluate the new technologies which are appropriate for systems, old and new.

With their dynamic mix of marketing, training, engineering and logistic skills, ITI is proving to be a powerful new force in systems design, implementation and total support.

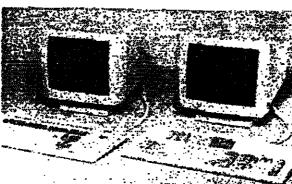
a region of the control of the T PA331 SCREEN TEST...

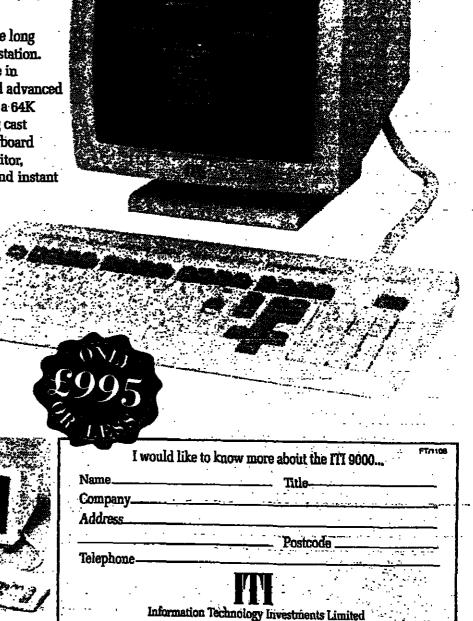
Whether it be for Wang VS, Wang OIS, Wang 2200, IBM System 36, IBM System 38, AS400, or IBM 4300 Series, Information Technology Investments (ITI) has a star cast which is second to none.

One model in the range, the ITI 9000 is the long awaited sequel to the WANG 4230A workstation. Superbly designed to provide the ultimate in operator comfort, the ITI 9000 supports all advanced functions and optional software requiring a 64K workstation. A feature packed supporting cast includes a fully adjustable low profile keyboard with light touch sculptured keys, 14" monitor, green or amber displays, swivel and tilt, and instant brightness control.

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FT LAW REPORTS

Commercial Court rules writ issued in England can be served abroad

KEDECKNER & CO AG V GATOIL OVERSRAS INC Queen's Bench Division (Commercial Court): Mr Justice Hirst: July 31 1989

THE ENGLISH court has jurisdiction under the Civil Jurisdiction and Judgments Convention to hear proceedings in a matter which is also pending before a foreign court, if it was first seised of the proceedings in that the date on which they became definitively brought under English law, namely the date of issue of the writ, precedes the date on which, unde the foreign law, they would have become definitive in the foreign court. And the English court can examine the alleged contractual exclusivity of its turisdiction which, if valid, is paramount over that of a first-seised court, without hav-ing to stay proceedings pend-ing the foreign court's decision the challenge to its own

Mr Justice Hirst so held when refusing an application by the defendant, Gatoil Overseas Inc, to set aside leave given to the plaintiff, Kloeck-ner & Co AG, to serve proceed-ings outside the jurisdiction. Article 21 of the Convention

Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters provides: "Where proceedings involving the same cause of action and between the same parties are brought in the courts of different contracting states, any court other than the court first seised shall . . decline jurisdic-

HIS LORDSHIP said that Kloeckner, a West German corporation, claimed approximately \$200m against Gatoil under a basic agreement dated June 5 1986, and a number of other contracts providing for the cancellation or booking out of earlier contracts for the sale and purchase of oil.

Gatoil said the contracts were wrongly terminated by Kloeckner. In German proceed ings it claimed a declaration in respect of three invoices, that Kloeckner was not entitled to

On November 23 1988. Gatoil's German claim was filed with the Duisberg Landg-ericht. On November 25, Kloeckner's English writ was issued. On November 29, Kloeckner was granted leave under RSC Order 11 to serve out of the jurisdiction, and the concurrent writ for service out was issued. On November 30, the German proceedings were served on Kloeckner. On Janu-ary 30 1989, the English proceedings were served on Gatoil

Gatoil's case was that the West German courts were first under article 21 of the Civil Jurisdiction and Judgments Convention, the English court must decline jurisdiction. Under German law, the Ger-

man court became seised on date of service, November 30.

Dividends and interests from Deposit interests
Total revenue
Administrative expenses:
Revenue before taxation:

ed to \$ 11.41 per share.

Earnings per share: 5.30 cents
Proposed Final Dividend per Share: 4.50 cents

GREECE FUND LIMITED International Depositary Receipts (I.D.R.)
issued by
Morgan Guaranty Trust Company of New York
idencing 1.000 participating shares of USD 0,01 each

PRELIMINARY RESULTS REVENUE AND DIVIDEND

At a meeting of the Board held on July 27th the Directors of Greece Fund Limited decided to recommend the payment of a final dividend of 4.50 cents not per share for the period ended 30th June 1989 on the shares of the Company.

The company was incorporated in July 1988 and commenced business in September following the initial there placing. Accordingly, the results reflect only nine months' revenue. In addition, a significant number of Greek companies have deferred their 1989 dividend payments from June to July. Had those dividends not been deferred the carnings for the period would have been some 22 cents per share and the dividend correspondingly higher.

NET ASSET VALUE

The initial placing raised proceeds equivalent to \$ 9.96 per share : the not asset value at 30 June 1989 was \$ 10.01 per share (subject to audit). This increase comparet with a fall in the Athena Stock Exchange Index of 4.8% in dollar terms. Since the year end, after the elections, the asset value per share has

The place and the date of the annual General Meeting is to be annou-

Copies of the Annual Report will be made available to holders of depositary receipts and to the public at the Company's place of business in England; 36 Old Jewry, London ECZR SBS or at the Morgan Guaranty Trust Company of New York, Brussels Office, 35 Av. des Arts, 1040 Bruxelles.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK 35 avenue des Astx, 1040 Brussels

Gatoil asserted that the English court also became seized on service, January 30 1989. Kloeckner said the English court was seised when the writ was issued, November

Under the basic agreement, Kloeckner agreed to "front" for Gatoil in contracts for sale and purchase of cargoes of North Sea crude oil on 15-day terms. It established an agency rela-<u>tionshin.</u>

It contemplated and pro-vided the framework for the making of the sale, purchase and book-out contracts. That was consistent with a true fronting arrangement. All the

contracts were authentic.

The sale, purchase and book-out contracts were expressed to be subject to the exclusive jurisdiction of the English courts.

A huge number of purchase and sale contracts were booked out. Kloeckner submitted involces totalling \$200m which remained unpaid and were a subject of the claim.
Gatoil contended that even if

the English court was techniimproper and invalid under the Gaming Acts, in that an agreement that there would be no delivery of a commodity was a contract for differences.

The argument was rejected. These were not gaming contracts. Under article 21 of the Convention, the priority accorded to the court first seised was important to avoid conflicting decisions. Equally important was the exclusivity, under articles 16 and 17, of a specified court's jurisdiction.

Mr Rokison for Gatoil said that notwithstanding article 17, the English court was obliged by article 21 to stay proceedings pending a decision by the German court on the challenge to its jurisdiction.

The first sentence of article 17 provided that if the parties one of whom is domiciled in a contracting state," had agreed that the courts of a contracting state were to have jurisdiction. that court "shall have exclusive jurisdiction."

The third sentence provided that where such an agreement was concluded by parties "none of whom is domiciled in a contracting state," the courts of other contracting states "shall have no iurisdiction . . . unless the courts chosen have declined jurisdic-

That strongly suggested that in cases falling within the third sentence, the first-seised court was bereft of any jurisdiction until the chosen court itself had first declined juris

diction. Thus, in such cases a degree of peramounity was given to article 17.

the opposite should apply in cases like the present, where one or more of the parties was domiciled in a contracting state, within the first sentence of article 17.

A court with alleged exclu-

sive jurisdiction under articles 16 and 17 must be free to exam-ine whether it had exclusive jurisdiction under one of those articles. Otherwise it would be sufficient for one of the parties

to claim that the contract allegedly according exclusive jurisdiction did not exist, thus depriving that part of the Convention of legal effect (see Effer v Kantner 1982 ECR 825). Mr Rokison's submission

was rejected. The court was free to consider the validity of English jurisdiction clause and, if it turned out to be valid, to allow any claims covered by it to continue in the UK.

The exclusive jurisdiction clauses in the sale, purchase and book-out contracts were The basic agreement con-

tained no exclusive jurisdiction clause. The question was whether the English court was

first seised.
In Selger v Salinitri (No 2)
[1984] ECR 2397, the European Court stated that under article 21 the court "first seised" meant "the one before which the requirements for proceedings to become definitively pending are first ful-filled... in accordance with the national law of each of the courts concerned."

Proceedings became "definitively pending" under the appropriate national law when the proceedings had been the proceedings had been definitively brought.

In English law, the authorities and the unanimous view of text books seemed based on a universal understanding that the moment an action was brought, and so became pending, was the moment of issue

of the writ. The court at that juncture became definitively seised, as was demonstrated by the large number of orders it could then make.

Where leave was required for service abroad, it might be cor-rect to hold that proceedings did not become definitively pending until leave was granted. In the present case, that qualification made no difference, since issue of the writ and Order 11 leave both pre-

ceded the date when the Ger-man court first became seised. The present action became definitively pending before the German proceedings became definitively pending. The English court was the court

first seised under article 21. With regard to jurisdiction under Order 11, the question was whether, by its terms or implication the basic agreement was governed by English

The 15-day North Sea car-goes were invariably traded on terms containing English law and English jurisdiction clauses. There was an over-whelmingly strong inference that the parties must have intended the basic agreement

to be governed by the same law as the multifarious agreements for which it provided the framework.

The court therefore had jurisdiction to grant leave under Order 11. Kloeckner had a good arguable case under all its heads of

On the exercise of the court's discretion to grant leave to serve out of the jurisdiction, three factors outweighed the considerations relied on by Gatoil: (i) all the agreements at issue were governed by English law, which was best determined by the English courts; (ii) the parties in all save the basic agreement

expressly chose English juris-

diction, and their choice should be respected; (iii) if the action were tried in Germany, Kloeckner might be disentitled to recover, under German gaming laws and on grounds of

public policy. England was clearly and distinctly the more appropriate forum for trial of the action.

Leave to serve out of the jurisdiction was affirmed. For Kloeckner: David Johnson QC, Mark Havelock-Allen and Edward Broadbent (Middleton

For Gatoil: Kenneth Rokison QC and Nicholas Hamblen (Hol-

man Fenwick & Willan). Rachel Davies

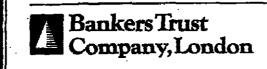
Notice of Partial Redemption

Midland International Financial Services B.V. (The "Company")

83/4% Guaranteed Bonds Due September 1, 1992 (The "Bonds")

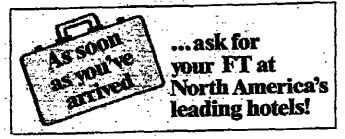
NOTICE IS HEREBY GIVEN that, in partial satisfaction of the mandatory redemption provision of the Bonds, the Company has purchased \$3,273,000 principal amount of the Bonds to be redeemed on September I, 1989. In order to complete the mandatory redemption, the Principal Paying Agent has selected by lot \$4,227,000 principal amount of the Bonds bearing the following Serial Numbers to be called for redemption and payment at 100% of the principal amount thereof (the "Redemption Price") on September I, 1989 (the "Redemption Date"):

Payment of the Redemption Price will be made on or after the Redemption Date upon presentation and surrender of the Bonds hereby called for redemption, together with all coupons appertaining thereto due after the Redemption Date, at the office of any of the Paying Agents named therein. All coupons due September 1, 1989 should be presented for payment in the usual manner. On and after the Redemption Date, interest on the Bonds hereby called for redemption shall cease to accrue.



August 11th, 1989

Principal Paying Agent





OPERA AND BALLET

Bayreuth

Bayrenth Festival. Wagner fans from all parts of the world will see the premiere of a *Parsifal* production by Wagner's grand-son Wolfgang. Conductor James Levine leads a strongcast include Hans Sotin, Franz Mazura and Waltraud Meier. After critici of Harry Kupfer's Ring cycle

THEATRE

The Merchant of Venice (Phoenix). Dustin Hoffman's Shy-lock a sympathetic, semaphore-gesturing alien in Peter Hall's duction. Geraldine James a superb Portia (836 2294). The Black Prince (Aldwych). Ian McDiarmid gives the perfor-mance of a lifetime in Iris Mur-Hamlet novel. Witty black farce.

6404).
London International Festival
of Theatre, LIFT, the fifthbiennial festival takes place all over
London during July Recom-Theatre of Dublin in TomMur-phy's A Whistle in the Dork at the Royal Court (730 1745) all month and the Comédie de Genève in Strindberg's Miss Julie at the Lyric Hammersmith (741 Anything Goes (Prince Edward). Cole Porter's silly ocean-go-ing 1930s musical has four or five marvellous songs and Elaine Paige failing to emulate Ether Merman. Jerry Zaks's desperately bright production comes from the Lincoln Center in New York and is undemanding sum-

Single Spies (Queen's). The high-light of Alan Bennett's double bill is a comic confrontation between Prunella Scales as Her Majesty the Queen and Bennett himself as Anthony Blunt in the royal picture gallery. Clive Francis plays Guy Burgess in a rehash of Bennett's fine TV film An Englishman Abroad (734

M. Butterfly (Shaftesbury) Anthony Hopkins as the tortured diplomatic hero in a Peter Shaffer-style "spectacle of ideas" dressed up in John Dexter's superb production as a metaphor of homosexual life. The transvesproduction, changes are expect for the revival. The main roles are once again sung by Siegfri Jerusalem/Rainer Goldberg, Jo ulinson, Peter Hofmann and Nadine Secunde. Lohengrin, con-ducted by Peter Schneider has Paul Frey in the title role, Cheryl Studer/Nadine Secunde, Ekkehard Wlaschiha, GabrieleSchnaut and Eike Wilm Schulte. Tann-Cheryl Studer, Wolfgang Bren-del, Hans Sotin/Manfred Schenk William Pell and Siegfried Vogel, in Wolfgang Wagner's delightful production.

Panatenee Pompeiane Aug 25 to Sept 10 (Rome 6864126/ 6864305).

Terme di Caracalla. Aida. Last two performances of Sylvano Bussotti's revival of the spectac-

tite tragedy proves less electrify-ing than in New York; the play is not very good but still worth seeing (379 5399). Brigadoon (Victoria Palace), 1947 Lerner and Loewe "heather-scented" Scottish fairytale hit is handsomely revived and well sung, less frail than expected (834 1317, cc 836 2428) Henceforward (Vaudeville). Mar-tin Jarvis and Joanna van Gyseghem in bleakly funny and edy of future sho strained marriage. A tale of obsession, devotion, computer music, women as robots, gangs on the streets and a tug-of-love (836 9987, cc 741 9999). latest is an intimate chambe operetta derived from David Gar-nett's 1955 novella. Musically interesting and well directed by Trevor Nunn, a cast of unknowns project the right sense of sybaritic insouciance. A proba-

Heldi Chronicles (Plymouth). Wendy Wasserstein's award-win-ning drama covering 20 years in the life of a successful American baby boomer goes from sup-port for Eugene McCarthy's pres-idential aspirations to electoral ambitions in the 1980s, accompanied by the musical and eme

ble, but unspectacular, hit (839

Lend Me a Tenor (Royale). A ing town's big time opera ambi tions makes a transatlantic hit London, but now with a local cast led by Philip Bosco and Victor Garber (339 6200), Shirley Valentine (Booth). Pauline Collins brings her West End triumph to Broadway in Willy story of a Liverpool woman's awakening in the Aegean Sea. Simon Callow again directs with-

FINANCIAL TIMES CONFERENCES

BUSINESS WITH SPAIN

Strategies for 1992 and beyond

Madrid, 6 & 7 November 1989

After nearly three years of rapid economic growth, Spain is now beginning to grapple

European Community, is beginning to overheat. The problems of too much economic

success and how best to control growth, as well as prospects for Spanish companies

and foreign investment operations will be addressed at this Financial Times forum. A number of significant European business issues will also be reviewed including the

with the fruits of its success. The Spanish economy, the fastest growing in the

Community's relationship with other trading partners.

The Rt Hon Norman Lamont, MP

Excmo. Sr Carlos Andrés Pérez

D. Luis Carlos Croissier Batista

Comisión Nacional del Mercado de Valores

D. José Ramón Alvarez Rendueles

President of the Republic of Venezuela

The event will be arranged in association with Expansión.

ular 1950s edition, *c*onducte ov Nicola Rescigno, Antonella Banaudi takes over as Alda, with Dolora Zajick as Amneris, Carlo Colombara (the king) and Gluseppe Giacomini (radames). (46.17.55/46.36.41).

Arena. This week's performances include Verdi's *Nabucco*,con-ducted by Daniel Oren, with Sil-vano Carroli. Piero Cappuccilli vano Carron, Piero Cappuccuu and Paata Burchuladze. Gian-franco de Bosio's production of Aida, conducted by Pinchas Steinberg (Aprile Millo and Bruno Beccaria), and Verdi's La Forza del Destino, with Maria Chiara, Giorgio Zancanaro and Nicola Martinucci, conducted by Sandro Bolchi (596517/

10th Rossini Opera Festival Opens on Wednesday with Mich-ael Hampe's production of *La Gazza Ladra*, designed by Carlo Diappi, with Katla Ricciarelli,

ern English edges that retain an authentic touch. Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of a three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, includ-ing On the Town, West Side Story and Gypsy. The lustre of the credits is dimmed by the brevity of each piece, with a conents that inspired the heyday

of the musical. Rumours (Broadhurst). Nei Simon's latest comedy is a selfconscious farce, with numerous slamming doors and lots of mug-ging but hollow humour that misses as often as it hits. Christine Baranski leads an ebullient cast in the inevitable but disap-

pointing hit. Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6362). A Chorus Line (Shubert). The longest-running musical in the US has not only supported Joseph Papp's Public Theater for eight trees but also underted for eight years but also updated the musical genre with its back-stage story in which the songs

are used as auditions rather than emotions (239 6200). Les Miserables (Broadway). The nagnificent spectacle of Victor sons in pageantry and drama (239 6200). Me and My Girl (Marquis). Even

if the plot turns on ironic mim-icry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. It has nevertheless oved to be a durable Broadway M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentious and obvious meditation on the true story of the French diplomat Luciana d'Intino and Samuel Ramey, conducted by Gianluigi Gelmetti. And (Thurs) Jean-Pierre Ponnelle's production of L'occasione fa il Ladra, conducted

Stresa (Lago Maggiore) Settimane Musicali di Stresa. 23 Aug to Sept 15 (31095/30459).

New York City Opera. The week features Anna Bolena, last seen

in 1981. Donizetti's *bel canto* score is conducted by Scott Ber geson with Marilyn Mims in the geson with Marilyn white the role and Harry Dworchak as the king. The Mikado features. Richard McKee as the Mikado in Lofti Mansouri's production conducted by Peter Howard. conducted by Peter Howard. Other performances include Rigoletto with Maureen O'Flynn Bergeson, as well as Carmen. Lincoln Center New York State

a male Chinese spy (246 0220). Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-trans-fer from London (239 6200).

Driving Miss Daisy (Briar Street). The touching relation-ship between a dowager, played in this production by Dorothy Loudon, and her black chauffeur exposes the changes in the South over the past several decades

Steel Magnolias (Royal George) Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dry ers in a busy hairdressing establishment (988 9000). Les Miserables (Auditorium). The international spectacle h

Washington

Gypsy (Kennedy Center Opera House). Tyne Daly takes the Ethel Merman role as the stage mother pushing her daughter revival of the wonderful Stephen Sondheim-Jule Styne musical with songs like "Small World". Ends Sept 17 (254 3770).

Les Miserables. Imperial Theatre 201 7777). Strongly-cast revival (in Japanese) of the stirring usical of the storming of the at 1pm) (423 1331), Hanjo (The Girl whose Lover Went Away), Girl whose Lover Went Away), by the great 15th century non aster Zeami. Plus a kyogen esoteric art form is not to every esoretic art form is not to every-one's taste, but everyone should see it at least once, since it is the world's oldest living form of drama of any importance. **EXHIBITIONS**

The National Gallery. The Artist's Eye ~ this year the abstract painter, Bridget Riley's turn to take her pick of the col-lections. She chooses a merce seven works, but all of them masterpieces – great figure com-positions by Titian, Poussin, Veronese, Rubens, El Greco and Cezanne. Dally until August 31. The Whitechapel Gallery, Euan Uplow - a retrospective of the Uglow — a retrospective of the paintings of the nude by a painter who is at once the most severely objective and the most seductive of our painters of the figure. Until September 3; closed

The Royal Academy. The 231st Summer Exhibition of the Royal Academy – the usual gigantic and enjoyable free-for-all of and enjoyable free-for-all of painting, sculpture, print and architecture with nearly 1,200 works on show. Yet, as always, it is different this year for the particular treats it offers for the visitor who has the determination to search them out among the general mass. In defiance of received opinion, the general standard of work is commendably high and this year better ably high and this year better displayed than ever. Daily until August 20.

ated underground for temporary exhibitions by expressing grati-tude for the generosity of donors throughout its existence. 10pm,

all days except Tuesdays. End August 21. Entry through the

Centre Georges Pompidou

Pyramid, Hall Napoleon, Niveau

Matisse drawings. Some 100 works retrace the painter's cre-

period and to the greathrush

The mixture of accomplished

masterpieces and of rapidly dashed off sketches, adds a

like confiscation and plund would describe more accurate the manner in which the 200

refreshing flavour to the exhibi-tion. Closed Tue, ends Aug 27. Bibliothèque Nationale. 1789

than inheritence liberated, words

treasures, chosen from hundreds of thousands of documents, reached the Bibliothèque Nation-

ale from churches and palaces during the revolutionary years.

At least they were saved from the turmoil and we can thus admire the world's largest cameo

representing the triumph of Ger-

of sardonys. There is the ancient gospel from Echternach copied in the north of England or in

reland at the end of the 8th or beginning of the 9th century and the Saint-Medard's Gospel, with all its lettering in gold, the most sumptuous work from the school

sumptions work from the school of Charlemagne's court around 800AD. The portrait of Julia, the daughter of Emperor Titus, is engraved in a large aquamarine

of exceptional purity surrounded saphires and pearls, while domon's Cup from Sassanid

Solomon's Cup from Sassanid Persia glows with the deep red of its grenades set in gold. 52 rue de Richelieu. Ends Sept 10. Centre Georges Pompidou and La Grande Halle de la Villette. A mammoth exhibition – Les Magiciens de la Terre – is ambitiously subtitled the First World Exhibition of Contemporary Art. Taking frue years to premare.

Taking four years to prepare and costing FFr30m to stage, the exhibition needs all thespace

lette to accommodate the 100
artists – half of whom come
from the third world – whose
works span the globe. The exhibition assembles bark paintings
by Australian aborigines, a
house regainted for circumciston

house repainted for circumcision ceremonies in South Africa, effi-gies of lions and sorcerers from

Benin and decorated coffins from

Ghana. Even the western artists were chosen according to their

World. Centre Georges Pompidou (42771233) and Grande Halle de la Villette, 211 Ave Jean-Jaures.

Metro Porte-de-Pantin (42497722). Both exhibitions closed Tue and ends August 14.

Fondation Glanadda. A Henry Moore retrospective of some 50 sculptures, 80 drawings shown in rotation and 60 engravings

is as impressive by the judicious selection of exhibits, as by the exceptional location for 12 of the monumental statues in a

Martigny

relationship with the Third

of the 5th floor of Beaubourg and the Grande Halle de laVil-

ative development from the post-academic beginnings to the faure

Spanning four centuries, they range from delicate architectural detail to grandiose pipe dreams, and merely whet the appetite to see more from this fabled col-The Louvre. The glass pyramid, built by I.M. Pei, the Sino-Ameri-can architect, has opened to the public as a dramatic entrance to one of the world's most famous museums. Erected as a medieval fortress in 1204, the lection of more than 1,100 she Ends 17 September. Louvre later expanded into a renaissance royal palace only to be turned into a museum in Schirn, Kunsthalle, Am Römer-Schira, Kunsthalle, Am Römer-berg 6a. A Wassily Kadinsky retrospective (1866-1944). Wassily Kadinsky, initiator and founder of the famous Blue Horse style also created a new form of abstract painting. He left Russia four years after the revolution and was forgotten for many years. To rehabilitate him 45 years after his death, 20 muserevolutionary 1793. Since then, the modernisation of the museum's infrastructure bec matter of utmost urgency and the pyramid's centralising role is an important step towards the completion of the project of the Grand Louvre planned for 1995. It will involve the m for 1985, it will involve the mov-ing around of 800 of the exhibits, but the three stars – the Mona Lisa, the Victory of Samothrace and the Venus de Milo will years after his death, 20 muse-ums from all parts of the world have lent about 170 oil paintings, watercolours and drawings for this unique exhibition, only to remain firmly in place. Open 9am-6pm, Mon and Wed until be seen in Frankfurt. Ends Aug 9.45pm, closed Tue. Louvre. Aptly, the newly refur-bished museum inaugurates the 1,200 square metres of space cre-

Kunsthalle am August-Macke-Platz, Hochstadenring 22.Cen-tres, Residences and Metropolis in German History. This interest ing exhibition, organised by Bodo-Michael Baumunk,has about 1,500 pieces on loan from private collections and museums it is the government's contribu-tion to Bonn's 2,000th anniver-sary. The ground floor of the Kunsthalle, with all walls painted black for effect, offers a view of important paintings. a view of important paintings, silver items, signets and personal distinctive belongings of German politicians, from the Middle Ages up to the present. Aachen is represented as the seat of Charle-magne, Nuremberg as the Emperor's city, Regensburg as the town of the everlasting diet and Frankfurt as the seat of Ger-many's first national parliament. ere are also portraits by koschka of Konrad Adenauer, Theodor Heuss and Ludwig Erhard. A reconstructed model shows the original layout of Berlin's famous Wilhelmstrasse, the location of the Prusslangovvisitor into the postwar period. Here, can be traced the first rs of the F of Germany and its capital Bonn. Sketches and models for the Bundestag are on display as well as photographs of the first Ger-man Chancellor, Konrad Adenauer, who strongly influenced the political postwardevelopment. Ends August 20.

The Kremlin Gold. The exhibi-tion is jointly organised by the Bremen Uebersee Museum and the Moscow Kremlin Museum. This presentation of around 80 pieces of Russian goldsmith's art covers the early Byzantine period through to the beginning of the 20th century. It shows the different styles of the goldanith's art such as filigree and ename! work in the 15th century, colourful decorations with precious stones in the 17th century, followed by the European influence of the 18th century. Bremen Ueb-ersee Museum, Bahnhofsplatz 13. Ends August 13.

Amsterdam

Amsterdam Historical Minaeum. A selection of 70 design drawings from the private collection of art dealer Lodewijk Houthakker. Spanning four centuries, they range from delicate architectural detail to grandiose pipe-dreams, and merely whet the appetite to see more from this fabled col-lection of more than 1,000 sheets. Ends Sept 17.

Vienna

Galerie im Heiligenkreuzerhof has a selection of watercolours and other paintings by Gustav Klimt, the turn of the century Austrian artist who helped to skake the artistic establishment out of its lethergy. Until August

cession. Never to be accused of neglecting the younger genera-tion of Austrian and international artists, this callery is exhibiting the Vienna artistic

Spoleto

Rocco Albornoziana and Church

of S. Nicolo. 17th century paint.
ing in Umbria. The exhibition
is the fruit of nearly 20 years
research work by Professor Brunotoscano and a group of helpers,

scene during 1989 as well as a August 27. The Benedictine Monastery in

park with Alpine peaks as a backdrop. There are family groups, majestically reclining feminine figures, the hieratic couple of the King and Queen. But most of all, the works, be they in bronze, marble or alshaster, be they of vast proportions or fitting into the palm of a hand, are a hymn to eternal motherhood. Ends Nov 19 (026-222978).

KB Gallery James Ensor Etch-ings: works from the Franck Col-lection. (Ends Sept 10) 19 Grand

Place.

Beaux - Arts. Le passe vivant

Eben Ezer: works by Robert Garcet, drawings by Giorgio de Chirico (Ends Aug 19) 20 Rue Raven-

Place St Gery.
L'Ecuyer , 20th Century Crystal, ends August 30th. 187, Avenue

Centre Culturel le Botanique. A sense of catastrophe – art in the 1980s shows works of Amer

Monday ends August 13. Musée du Costume et de la Den-telle. Women and Equality 1789

A selection of 70 design drawings from the private collection of art dealer Lodewijk Houthakker.

Halles St Gery - Avanti, Ber-trand Neuman (Ends Sept 9),

stein 513 67 77

Melk, an hour's drive from Vienna, celebrates its 900th anni-versary. Besides a fascinating collection of paintings, books: and later, newspaper cuttings, the Abbey boasts the finest the Appey boasts the linest-barrone architecture in this part of Europe. Until November 15. Museum for Applied Arts is cele-brating its 125th anniversary with an exhibition focusing on which are the state of the stat or me century when a group of Viennese artists broke away from the established artistic cir-cles and brought their skills and creativity into interior and indus trial design. Ends September

Galleria Nazionale d'Arte Mod-erna. The Somabend Collection contains a little of everything, from pop art with some of the best-known works of Warhol, Lichtenstein, Jim Dine, followed Lichenstein, Jim Dine, followed by examples of American mini-mal art (Flavin, Judd. Morris), to conceptual art and Arte pon-era, with works by Gilbert and George, Paolini, Merz, Pistoletto and Kounellis, ending with some curious examples of German neo-expressionism. Until Oct

Museo Napoleouico. Eighteenth-century Roman Theatre and Car-nivals. Life was anything but comfortable for impresarios under the oppressive papery of Plus VI, with ruin continually staring them in the face firrough forced closure by unpredictable papal censors. This absorbing exhibition covers the years 1775, when Pius Vith's long reign began, to 1793, and attempts to show how the conflicting influences of the papacy and the revolution in France affected the Roman theatre. The exhibition opens with a coloured lithograph of the Pope's triumphal procession, immediately after his elec-tion, alongside the edict which condemned to death the supposed author of a tasteless masque written for the occasion (the true author of which was said to be Prince Chigi). The Roman cultural scene was lively toman cultural scene was lively but frivolous, ballet and spectac-ular theatre in general being much preferred to classical plays, or opera. Included in the exhibi-tion are numerous exchings of stage sets and elaborate papier-maché architecture, built for carriaval masques and later carinaval masques and later burnt, portraits of contemporary composers such as Cimarosa, and Paiseilo, and an enchanting Perseus and Andromeda by the French sculptor, Chinard. Ends

1870-1930. Renzo Piano, archite of the Beaubourg, has given the 250 works chosen from Soviet museums by Giovanni Caran-dente an immensely effectiva dente an immensely effective setting, turning the ground floor workshops of the disused Flat factory into the equivalent of an Arah tent. The works are hung on suspended panels of white ganze, divided into 22 more or less chronological sections, nented by the immer Boishevik-red banners which flutter in the breeze in the square outside. Many of the early square consules. many or the early figurative paintings on show give evocative glimpses of life in the Russian villages and the particular quality of light and landscape northly Verilland Autumn Woods, Nesterov's pen-sive girls in traditional dress at the lakeside and Vinogradov's inviting summerhouses on the slopes of the Crimean hills, with their unexpectedly luxuriant gardens. Cosmopolitan and sophisticated, Russian artists could hardly have been in closer contact with contemporaries in France and Germany. Matisse was in Moscow to install his two paintings, Music and Dance in the house of the collector, Sergei Sukin: and two symbolist works. on show by Petrov-Vodkin, Youngsters and The Thirsty Youngsters and The Thirsty Fighter contain clear echibes of these. The glant figure of the prototype of impreseries; Diaghilev, looms over the exhibition. There are two portraits, one by Serov, elegant and devilish, dated 1904, and another, with his old nurse, painted by Baket in 1905. There are numerous original designs for the sets of the

inal designs for the sets of the Ballets Russes: Petrushka (1911) and Pavillon d'Armide, by Benois (1907), the ballet which marked the beginning of Fokine's career as a choreographer and that of Nijinsky and Pavlova as dancers, at the Marinsky theatre. A mumber or remarkable portraits stand out, from Visdimir Tatlin's emp-ty-faced Sailor to Altman's faintly expressionist portrait of the poetess Anna Achmatova (1914), with its intense bluss and yellows, Serov's mournful Grand Duke Pavel Alexandrovich and Chagall's Red Jew. Chagall has a section to himself, which includes a number of charmingly domestic scenes, such as The Datcha Window, as does Kandin-sky, with three fine works, including the large Composition, VI from the Hermitage. Ends October 20.

Identisu Museum. Hoen Kosugi. Kosugi's early work was infinenced by impressionism, but in later years he created a more Japanese style in sumic and watercolour. His favourint subjects were flowers, hirds and people. Closed Mondays. Suntony Museum. Edo Glasswate. Over 120 glass objects from the Edo period (mid 17th mid 18th century), including glass.

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Barbizon Palace, Doelen Crest Hotel, Grand Hotel Krasnapolsky, Garden Hotel, Hilton Hotel, Marriott Hotel, Schiphol Hilton Hotel, Sonesta Hotel, Victoria Hotel

who have been through Umbrian churches and convents with a toothcomb, and the gloriously restored results can be examined close to in two settings (of which the latter is hy far the most satisrestored results can use (of which the latter is by far the most, satisfactory). The works are uneven in quality, but all are interesting, each telling a story (often with the sponsor looking pious in the lower right-hand corner), and often harking back in style to earlier artists such as Ferugino. Not all are by local painters: a notable exception is fine work by the French painter, Jean rhomme (signed and dated 1631), and some are discoveries, such as an unknown, Francesco Furni, One of the most beautiful is the Maestro di Serrone's is the Maestro di Serrone's arresting and enigmatic Workshop of Sangluseppe where Christ (with an almost victorian head of curis and roughly eight years old) standing between his parents while his parents eyes meet in anxious premonition. Ends Sept 23.

Museo Correr. French impres-sionists from the Mellon collec-tion at the National Gallery of Art in Washington: more than 40 works, among which are delights such as Courset's sea-scapes, Seurat's La grande Jatte, and Renoir's Madame Monet and Son. Ends Sept 4. Palazzo Grassi. Italian Art ranazzo erasal, usuan Art. 1900-1945. A much-amplified exhibition covering a brister period than did the recent show at the Royal Academy in London, organised again by German Celant, with the director of Pal-azzo Grassi, Pontus Hulten. An attempt is made to put the works attenint is made to put the works into a clear political and social context, emphasising links with contemporary literature, music and cinema. The exhibition ends with two blown-up stills from films by Visconti and Rossellini. Ends Nov.

Whitney Museum. A special exhibit from the museum's extensive holdings of Edward Hopper highlight the realistic painter's Paris and domestic scenes among the 150 pieces in all media. Ends Nev 5. Museum of Modern Art. A retrospective of the work of Helen Frankenthaler covering 40 years in 40 paintings explores the development of abstract expres-sionism since the war. Ends Aug

National Gallery. The first exhibit of the complete set of Mary Cassatt's colour prints includes familiar images of moth-

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National Museum. Heijokyo Exhibition, important archa logical finds encavated in the past 30 years in Nara, where Japan's capital and imperial palace were located in the eighth century. Closed Mondays. National Museum of Modern Art. Art of the Shows Era Paintings, sculpture, prints and photos by Japanese artists, all executed during the reign of the late Shows Emperor (1926-1989). Closed Mondays. Teien Museum. Takeji Fujishima (1867-1943). Fujishima's work reflects the course of European. logical finds excavated in the Modernism but remains quintes

reflects the course of European in decoration as a show include.
The paintings on show include, landscape, still life and portraits.
Closed Mondays.
Identisu Museum. Hoen Kosugi.
Kosugi's early work was influin decoration for its own sake.

Kosug's early work was influenced by Impressionism, but in later years he created a more Japanese style in sumie and watercolour. His favourite subjects were flowers, birds and people: Closed Mondays.

Suntury Museum. Edo Glassware. Over 120 glass objects from the Edo period (mid 17th — mid 19th century), Including glassware imported from Europe as well as examples by Japanese crefismen. Closed Mondays.

National Museum. Heijokyo - Discovery of a Lost Capital. Japan's first permanent capital and its imperial palace have been excavated extensively over the past 30 years. This major exhibition 30 years. This major exhibition features artefacts, reconstructions and models to give a vivid picture of 9th century life from a wide variety of angles. Closed

a wide variety of angles. Closed Mondays.
National Museum of Modern
Act. Art of the Showa Era. Paintings, sculpture, prints and photos by Japanese artists, all executed during the reign of the late Showa Emperor (1928-1989).
Closed Mondays.
Telen Museum. Takeji Fujishima (1887-1943). Fujishima's work reflects the course of European Modernism but remains quintessentially Japanese in Ets delight in decoration for its own sake.
The paintings on show include landscape, still life and portraits. Chosed Mondays.
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Un ballo in maschera

GROSSES FESTSPIELHAUS, SALZBURG

The 1989 Salzbury festival ushers in the post-Herbert von Karajan era. Black post-Herbert von Karajan era. Black ribbon edges his photographs in all the shop-window displays; festival programme booklets carry a supplement listing every one of his Salzburg performances; hardly a day goes by without some Karajan item in the local papers. Names of successors to the post of festival supremo are already being tossed about (that of August Everding, the former Munich opera boss and producer, crops up frequently).

frequently).
But discussion about what sort of festival the city hopes to sustain in the post-Karajan future has hardly begun. The big new production of this year's festival, Unballo in maschera, should help considerably in concentrating minds on this difficult topic: for in its mouster-larger scale, super-splashiness of design and awesome vulgarity of manner, it seems to sum up the artistic nullity of the Karajan

Le style c'était l'homme - and though the conductor had ceded its staging to another hand, John Schlesinger, the Master's fingerprints are all over it. Just as the vast width of the Gro haus stage was of his devising, so its filling-up (in "public scenes") with sky-scraper scenery and hordes of bit-parts surely represents his Ballo vision and conception

The ne plus ultra of this conspicuousconsumption school of opera production is achieved in the last scene. The work is given in its original Stockholm setting, and its finale in Gustaf's own theatre. What William Dudley has designed, indeed, is an immense tri-sided Drottningholm set that can be swung around to show both back and front stage and a segment of the auditorium.

It can be, and it is, thrice; while the main characters struggle to achieve the foreground there is an almighty viaval with a troupe of dancers and their stagewith a troupe of dancers and their stage— The principal voices — Karajan within a stage ballet (not much sign of an recorded the opera with the same cast

actual ball here), not to mention the mon-strous regiments of chorus and supernu-meraries in Luciana Arrighi's glitz-laden costumes. One begins to feel that the climactic confluence of the opera's dark and light themes, its tragic romanticism and sparkling theatricality, has become a side-show to the main Salzburg business of stunning the high-price-paying customers with value-for-money spectacle

It is, altogether, the showlest of Ballos. The opening takes place in the vast Royal Palace library; the gallows are three-tiered and littered with corpses (no expense spared in Salzburgi). Mr Dudley's familiar ingenuities of design have been fully exercised; Schlesinger's production is likewise bedizened with "business."

But the overall effect. I fear, is of irre-

deemable superficiality, of a clotted, clogged stage often clumsily manipulated clogged stage often clumsily manipulated (and dreadfully coarsely lit) — and ironically of a performance "saved," as far aspossible, by the native strengths of the cast, irreducible even in this essentially inartistic context, and by Georg Soliti as conductor. (Karajan died on July 16, at an advanced stage of rehearsals; Soliti, whose Salzburg connection dates back to the Toscanini period in the 1930s, nobly agreed to step in for the first three evenings; Gustav Kuhn undertakes the final three.)

three.) Not surprisingly the opening night (July 27) had been, according to report, a fraught occasion. By the third perfor-mance Solti's characteristically crisp way with rhythmic delineation and determination to draw tent phrasing and textures from the Vienna Philharmonic were paying substantial dividends. He is not, and never has been a "singing" Verdian, but he accompanied the cast with chivalry and high skill. His was not a grandiose reading, which is what the staging predi-cates. By the end of the evening one was in no mood to object.

tors desperately besting each other to appear on Buddy King's late-night television talk

show. Playwright Jim Geoghan

obviously knows the territory, from the Catskill borscht belt

of the opening scene to the dingy cellar of a Brooklyn com-

edy club and the denouement

in Buddy King's green room.

A former standup comic himself, the playwright con-

veys the different styles of 52-year old Jackie Dwayne still

plying his stick in the Catskill

resorts and the hip young com-edy team living off drugs, boundless ambition and the

dreams fueled by the success of

generation of young comics. Each of the first two scenes

presents a small drama of its own with Jackie resisting help

from a young writer sent by his agent to improve his act, while the young pair in Brook-lyn confront the dilament

and more ambitious of the pair

having accepted the unwanted

much more personal, furnier routine that finally earns him

assembled a crack cast, led by Paul Provenza as the aggres-

sive young comic with a nose

Newman, makes a good foil.

Sam Zap as the bum manager sounds and looks like the thug

he turns out to be, while Larry

ARTS GUIDE

Director Larry Arrick has

a place on the show.

earlier in the year - are not the sumptu ons Verdi instruments that might prompt a slightly greater tolerance of the production style. But all are keen, cogent per formers, and all make a determined effort to rise above the preponderant banalities of the staging. Leo Nucci (Anckarström), who in recent years has tended to rely on blaring loudness of delivery, here recovers the distinction of that Covent Garden Luisa Miller appearance that first brought him to international notice. Florence Quivar (Urica) lacks darkness of tone-colour but nothing in musical sensibility; the young Korean Sumi Jo (Oscar) is delight-

fully pure.

Placido Domingo's Gustaf is now a mature and masterly study, sung with endless resources of intelligence and subtlety (even when patches of dryness threatened toward the end). The firstnight Amelia of Karajan's "discovery," Josephine Barstow, was not praised by the German, Austrian, and Italian press. At this third performance the voice was obviously flowing more freely; its idiosyncrasies of production are inevitably exposed in so tone-stretching an auditorium.

But exposed also are the depth of her But exposed also are the depth of her Verdian sensitivities, the beauty and emotional ripeness of her stage personality—there were many typically eloquent touches of portamento and mezza voce to bear those qualities out. After encountering her Amelia in San Diego, a few years ago, Andrew Porter was moved to compare Miss Barstow to Pauline Viardot—and no doubt that most inspired and inspiring of 19th-century lyric artists inspiring of 19th-century lyric artists would also have been taxed by Karajan's Grosses Festspielhaus. Singing "Morro ma prima in grazia" with sublime melancholy inwardness, the "modern-day Vlardot" briefly raised this Ballo above its natural

Max Loppert Placido Domingo



Business off Broadway | British Impressionism

Arthur Miller and David Mamet should have inspired many Broadway seasons' worth of plays about business. But the idea is catching on only now.

Two new off-Broadway plays show just how fertile a field it is. Jerry Sterner's perceptive profile of a takeover artist in profile of a takeover artist in Other People's Money goes right to the heart of the matter. Lawrence Garfinkle, a Wall Street predator known as "Larry the Liquidator," makes a bid for New England Wire and Cable, a venerable public company still being run like a family business. As Larry's offer immediately boosts the company's share price, the paternalistic management regist the advice that could preserve their independence at the expense of some divisions

and personnel. The play gets slightly bogged down in the investment banker's patient explanation of the executives alternatives and the predator's advantages. Much more lively are Larry's impassioned defence of selfishness and mission to reward shareholders. The thoughts may not be new, but they find an articulate and ultimately sympathetic spokesman in the fat Wall Street man of Ster-

ner's creation. in Gloria Muzio's deft production at the Minetta Lane, Larry stands in the corner stage left breathing fire and pontificating the gospel of wealth, while company chairman Andrew Jorgenson expansively paces in his old fashioned office filling the rest of

the stage. The investment banker turns out to be the daughter of the chairman's long-time secretary. Despite the personal stake and the growing attrac-tion between the two Wall Street adversaries, the financial battle stays resolutely in



Paul Provenza (top) and Andrew Hill Newman in "Only Kidding"

the forefront. Kevin Conway's portrayal of Larry has a little too much of Jackie Mason's mannerisms, but conveys a powerful man whose ruthlessness is disarm-ingly frank and defensible. Arch Johnson's corporate chairman is equally guileless as a sensible New England

business man bewildered by his predicament. Janet Zarish as banker Kate fits the stereotyped blue suit and silk blouse a little too comfortably. She would be intolerably superior had she not fallen for fat, sloppy Jewish Larry and his celebration of greed, which suits them both.

Only Kidding at the Westside Arts finds comedy in the ugly business of ruthless competi-

PHILLIPS, NEW BOND ST

Nottingham Castle Museum's British Impressionist exhibition, currently on show at Phillips in London, seems to prove that the so-called British impressionists make even less a homogeneous group than their French counterparts. At first and even second glance, there seems little to link works as diverse as Wilson Steer's Whistlerian portraits, Sickert's muddy-toned street and theatre scenes, and William Stott's Baron Gloeden-style pubescent nude boys on the beach. The tag seems even less appropriate to the monumental peasants of Stanhope Forbes, Clausen, and La Thangue which have more to do with the Academic realism of Bastien-Le-Page than mainstream Impres-

What the diverse painters of the New English Art Club, who described themselves as "anything but one school", the Lon-

don Impressionists (no more coherent in terms of style, subject or scale), and the artists of Newlyn and Staithes and Glasgow did have in common was an admiration for French

and Degas as well as Monet is

all apparent. Gaugin, too, has a protegé in Arthur Studd, whom he met in small panel, "Washing Day", is a revelation. So, too, is the marine artist William Wyllie's ability to create such a glori-ous study as "The Thames near Charing Cross." William Stott's portrait of the artist T. Millie Doe vies with Lavery's tour-de-force of black paint.

The exhibition continues at Phillips, its sponsors, at 101 New Bond Street, W1, until



Frank Lipsius | "Kensington Gardens" by Paul Maitland

painting, a desire to paint out of doors, and a preoccupation sinuous "Lady in Black" as a

with contemporary life.
Hilary Taylor's selection is academic and highly personal.

A number of artists one might expect to see are not here, and quality proves as variable as style. Comparisons with French art abound. James Guthrie paints his own sun-dappled women in a garden in 1892, the surface of Steer's Walberswick canvases are woven in stippled, complimentary col-our. The influence of Manet

Brittany in 1890. The latter's

in tonight's Prom). In short, it works extremely well.

Sadly, the London showing of the exhibition has suffered from its pruning. A number of museums reclaimed their loans after the Nottingham show, most notably the Tate, leaving the show without a Whistler oil, and with only three of the eight delightful Paul Maitlands of London streets, parks and the river that are so characteristic of the age.

Susan Moore



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FINANCIAL TIMES

MUSIC

The Proms. Works by 114 composers will be heard during this year's Promenade Concert season, which continues until September 16.
Most concerts take place at the Royal Albert Hall, though St Paul's Church, Knightsbridge, and Kensington Town Hall are

and Kensington Town Hall are also used. Tickets for most concerts cost from £3 to £11, and can be booked on 598 8212, 589 9465 (10am-5pm) or 379 4444 (24 hours); promenade tickets are available only at the door on the day of the concert

door on the day of the content priced at £1-50 or £2. This week sees the London Sin-fonietta playing Messiaen (Fri); the BBC Symphony Orchestra playing Mozart, Brahms and Strauss' Four Last Songs with

Felicity Lott (Sat).
On Sunday a special concart provides three versions of The Judgement of Paris by Purcell, Weldon, and Eccles. Not since 1968 has the Prom audience bean asked to vote on what it hears, but those attending Prom 28 will be able to choose their own win-ner from three entries in the competition held in 1701 to set the same masque text by William Congreve. Klaus Tennstedt conducts Bee-

thoven's Ninth (Mon); and the BBC Symphony Orchestra play Bartok, Birtwistle, and Stravin-

The Festival of Paris. Clarinette Guy Dephis, Quatuor Ludwig.

Beetboven, Shostakovitch, Brahms (Tue) Auditorium des The Festival of Paris, Orchestre

The Pestival of Paris, Orchestre des Rencontres Lyriques de Luchon conducted by Jean-Claude Hartemann/Pierre Douglas, with Maryse Charpentier, (piano) (Thur) Auditorium des Halles.

Both the above concerts are part of the Festival of Paris and information is available on 45049801, and in English on 4708898.

Paris arx Antique, Music of the

Paris ars Antiqua. Music of the troubadours, 15th century musitroubadours, 15th century musicat the court of Burgundy, 16th and 17th century court and village music (Mon), music from the Crusaders period, Guillaume de Machaut 14th century, golden age of spanish music 16th century (Tue, Thur). The Ars Antiqua concerts take place at 7.15 pm and 9.15 pm in the Sainte Chapelle with its jewel-like 13th century windows (43405517) 4, Bd du Palais.

Flute recital by Gabriel Fumet. C.P.K. Bach, J.S. Bach, Telemann, Debussy, Varese (Wed) Sainte Chapelle (45231825).

Summer festivals in France.

La Chaise-Dieu in Auvergne, Aug 23-30 (71000116). Saint-Jean-de-Luz. Aug 30 - Sept 18 (5920316). La Roque-d'Antheron, Aug 1 - 23 (42505115). Menton, Aug 5 - 31 (93575700).

18th Bossini Opera Festival. Schottische lieder, Beethoven, with soprano Lella Cuberli and

tenor Philip Langridge, accompa-nied by violinist Salvatore Accardo, 'cellist Rocco Filippini and pianist Maurizio Pollini, with the Prague Philharmonic Choir

Egtise Saints Jean et Rtienne. Martine Niessen and Joelle Sat-veniere. Handel concert for

organs. (Sun). Francois Houtart (organ) Hans van Dael (cello) Lucy Grauman (mezzo) 17th & 18th century religious music (Tue). Cathedrale Saint-Michel Dusseldorf. Urdenbach chamber chorus conducted by Franz Lamprecht. Gounod, Mendelssohn, Bizet, Berloiz (Sun) 217 83 45.

Montepulciano

29th Festival of Organ Music, in Tuscany, 14th Cantiere Inter-nazionale d'Arte - founded by Hans Werner Henze in 1976. Clos-Hans Werner Henze in 1976. Closing concert (Sat) at the Tempio di S. Biagio, a mass, "Argantum et Aurum" by the eclectic flemish composer, Heinrich Isaac, who spent much time at the court of the Medicis, elaborated for four voices (Nicolas Howard, Andrew Watts, Niali Morries and Michael Harrham) Morris and Michael Harpham), organ and orchestra (the London Parnassus), conducted by Markus Stenz. Until August 14.(717092/758213).

Sinfonia Varsovia, conducted by Leopold Hager, Haydn, Rhein-berger, Augustinerkirche. (Frl). Polish Chamber Orchestra, con-

ducted by Jan Stanienda. Mozart Greig, Britten. Palais Schon-brunn. (Sat). Wiener Saxophon Quartett.

Weiss, Benson, Wagner, Gersh-win. Secession. (Sun). Haydn Simfonietta Wien, con-ducted by Manfred Huss. Bee-thoven. Grosser Redoutensaal. (Mon).

(Mon).
Katowice Radio Symphony
Orchestra, conducted by Manfred
Honeck. Mahler, Dvorak. Arkadenhof. (Tues, Thurs).
Wiener Mozart Orchestra in historical costume. Konzerthaus.
(Wed).

New York Mostly Mozart Festival. Festival

Orchestra conducted by Trevor Pinnock with Simon Standage (violin), Nancy Argenta (soprano), Ingrid Attrot (soprano) and Jean Stilwell (mezzo-so-prano). Vivaldi programme (Mon); Tokyo String Quartet with Ralph Kirshbaum ('cello) with Ralph Kirshbaum ('callo) and John Kimura Parker (piano). Beethoven, Mozart, Schubert (Tue); Festival Orchestra con-ducted by George Cleve with Joshua Bell (violin) and Horacio Gutierrez (piano). Mozart pro-gramme (Thur). Avery Fisher Hall. (874 2424)

Chicago

Ravinia Festival. Alicia De Larrocha piano recital. Albeniz pro-gramme (Mon); Jorma Hynninen haritone recital with Ralf Goth-oni (piano). Schubert programme (Tue); Tokyo String Quartet with Ralph Kirshbaum ('cello). Schubert programme (Tue), Shostakov-ich, Borodin, Tchaikovsky (Thur). Highland Park (728 4842).

quent interval chose to men-tion the obvious musicological Hall James Wood led a reinforced BBC Symphony in fact about it, which is its vast his Oreion, and later in Kensington Town Hall Rupert debt to a piece already 65 years Bawden guided eight Nash old. If I had to give a capsuledescription of Oreion to anyone familiar with the music of Ensemble players through his Ultima Scena. The two pieces Edgar Varèse, I should just say: "It's a blow-up of Intéhad nothing in common but an avid interest in colour and grales." A few minutes longer, less truculent but with more atmosphere, and even then in quite different flavours. For the Technicolor Oreion rhythmic complications, and a hundred-odd players instead of

It was strange, nevertheless, that not one of the three

sophisticated musicians whom

Radio 3 collared to rhapsodise

about Oreion during the subse-

Prom premières

Wednesday was another double Prom evening, with a thirty-

something composer conducting his own Prom commission

in each concert. In the Albert

"Of Mountains . . . "

programme-notes supplied the audience with important cues:

the notion of ever-wider vistas

coming into view on a mountain ascent, and the assigna-tion of the main musical ele-

ments to the "four elements" of ancient folklore - thumping

rhythms for Earth, high vio-

lin-haze for Air and so on. If Wood is less narrowly pictorial

than Richard Strauss was in

An Alpine Symphony (or Ferde Grofé in his "Grand Canyon"

Suite), his broad evocative devices are decidedly similar.

The immediate grip of the score lies elsewhere, however: in sustained episodes of time-less "ethnic" skirling, pungent

and plangent, and in sensa-tional pile-ups of rhythmic can-

but that's still what Wood's piece unmistakably is. The hues of Bawden's Ultima Scena are luminously grey, like those of Debussy's "Nuages," but even more deliquescent and wispy. His avowed intention was to test-run a musical character he wants for the close of his ballet score-in-progress on the medieval "Roman de Fauvel," drained and desolate - but not, of course, musi-cally inert. The result here is a mixed success, in danger of curdling and separating.

Varèse's fourteen - including Strauss's cirro-stratus strings;

There are eerie original tints (not to mention the nightmare moths from Schoenberg's Pierrot), and phrase-silhouettes of tional pile-ups of rhythmic canons.

Those things are cannily alternated and elaborated in Callic elegance along with the soft portamento sighs and whimpers. When at the very end the latent barcarolle-motion is made explicit, one virtually sees the "lugubrious gondeveloped, I think, to any further myelical nurses."

The further challenge to ther musical purpose. Wood is mist. The further challenge to himself a brilliant percussion-ist, and the big orchestral can-up-tempo episodes — essential vas gives full scope to his ear for a piece of 17-minutes plus for telling aural contrasts. Any - from material which is risk of mere indulgence is designed to seem stagnant. scotched by the strict charac- After two hearings, Bawden's ter he decrees for each ele-ment; the whole is constructed cadenzas for harp and for from building-blocks that are plano) still strike me as elo-narrowly defined. The theatriquent in their own right, but quent in their own right, but cal form is cleverly judged, and unexplained and under-moti-the effect of a grand al fresco vated in the context. A real scale is imposing (like the Mes-"ultima scena" should unfold slaen Des canyons aux étoiles more inevitably.

David Murray

GLYNDEBOURNE

An additional suitor has come to claim Arabella's hand this summer at Glyndebourne. A little while before the revival of Strauss's opera was due to open Sergey Leiferkus withdrew from the cast and the dozen performances that he would have sung have been shared between Peter Weber and the German baritone Oskar Hillebrandt, who arrived at Glyndebourne for his British

debut on Wedi cay. It is a most cultivated Arabella in which he has come to take part. This elegant moral comedy, suffused with a feeling of valediction, is about trying to keep old values alive in a world that is turning to new and harsher realities. The bal-ance is a delicate one and the Glyndebourne cast have judged it to a nicety, providing a marvellous range of smaller characters who are all real, believable people to support the central relationship, where old and new manners come face to face.

The "old" is the Arabella of Felicity Lott, though the term is not meant in any pejorative sense, for there can have been few singers in the part who looked more beautiful, or sounded more radiant. The limpid elegance of her singing and

the scale on which it works make her an ideal Arabella for this house, the girl's frosting of old-world hauteur most delicately managed. To her now comes a Man-

dryka bursting with rude vig-our. The other roles in Oskar Hillebrandt's repertoire include the Flying Dutchman and Alberich in the Ring, whose dark, aggressive strength spills over into his Mandryka. The character decribes himself as "half a peasant" and in Hillebrandt's portrayal it is that half that gains the upper hand, bringing some roughness in conversation and an eagerness to show off his top notes, where the voice locks into place with virile, ringing tone. It is in the outgoing sections of the score that the conductor Graeme Jenkins is also most at home and so, after all, there is perhaps some leaning in the performance towards action and energy at the expense of romance, nostalgia, reminis-cence. Among the many excellent supporting roles, a special mention for the Count Waldner of Ernst Gutstein, a model of understated character observation. On reflection, I do not think I have ever enjoyed Ara-

Richard Fairman

Gil Scott-Heron

TOWN & COUNTRY CLUB, KENTISH TOWN

and Country on Tuesday night, Gil Scott-Heron, poet, educator and the definitive voice of urban revolt, complained that America was "spiritually, psy-chologically, politically and philosophically frozen". Yet in spite of the warmth of

his reception, and the heat generated by his excellent fivepiece funk band, the freeze extended elsewhere. The dangerous satire essayed so well in Scott-Heron's best work was missing. The performance lacked bits, the delivery lacked venom. As soul music it was fine, indeed excellent enter-tainment; as agitprop, it was decidedly lightweight. The evening simply never caught

Throughout, the message - once so integral to a Gil Scott-Heron performance - took a back seat to the music. The opening number, an emasculated version of "B-Movie", set the tone. The strident attack on Reaganite America was stripped out, to leave just the skeleton of the tune and the thin scraps of a chorus.

What disappointed most was that Scott-Heron, known in his prime as the "Minister of Information," had nothing new to say. The sole concession to contemporary issues was a glib reference to the ozone layer, and a weak warning. "You young folks have got a big job ahead of you to save the

Musically, though, the even-

Early into his set at the Town ing was something of a triumph. Scott-Heron was in good voice, his multinational band led by one of Washington finest bass players, Robert Gordon, laying down a steady bass and drums backbeat embroi-dered with the elegant, flighty jazz lines of piano and saxo-

phone.
There were a few glimpses, apart from the greying afro and bushy beard, of Scott-Heron's past glories. "Angel Dust," an anti-drug song writ-ten a decade before crack was heard of, fairly crackled with menace. A coruscating reading of "When the other folks give up theirs, I'll give up mine," helped raise the temperature further. As did the inevitable "Johannesburg," a strong freedom chant carried on a bubbling funk rhythm. "It is a song," he said, "about our commit-

Yet it was significant that the commitment did not stretch to the night's new material. Two numbers, "Save the Children", and "Better Days Ahead", that were both directionless, sentimental bal-lads which sat uneasily on his

hard-edged, bass vocals. At times a faint, but discernible air of defeat hung over the evening "Ain't nobody fighting because nobody knows what to save," sang Scott-Heron wearily. The Minister of Information has settled for the semi-retirement of an elder

Patrick Harverson

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Friday August 11 1989

Power politics in Poland

THE EXCELLENT news from Poland is that a full-scale political crisis is under way. With a little imagination, the climate in Warsaw today could be mis-taken for that of Rome. In his boldest move since the

In his boldest move since the June elections gave Solidarity a sweeping victory, Mr Lech Walesa has offered the Peasants and Democratic parties posts in a Solidarity-led government. In doing so he is breaking his word to submit to a Communist-led government for the next four years until full democracy is brought in. But he is keeping faith with the Polish people.

the Polish people.

The two parties in question have been political eunuchs for the entire post-war period. Both slunk under the wing of United Workers Party (that is, the Communists) in 1948 and have been rewarded for their nave been rewarded for their faithful inertia with govern-ment posts and a carefully pre-served half-life ever since. The Peasants claim to have had a large hand in stopping collect-ivisation of farms, the Demo-crats in preserving and speak crats in preserving and speak-ing for a small business sector as well as providing a pre-Soli-darity home for the non-Com-munist intelligentsia. But, as parties, they mostly made good

Now, there is a real possibility that they will swell the tide of change. Mr Walesa's offer has, if nothing else, shown them that their seats in the Sejm (lower house), where their position is now increas-ingly powerful and where the PUWP commands only 38 per cent of the seats to Solidarity's 35 per cent, give them a role analogous to that of West Germany's Free Democrats.

Both parties are now entering talks with Mr Walesa sceptically, with old hostilities near the surface, old scores still unsettled, but with a new awareness that they can help mould society, instead of simply being assigned a small hollow in its pre-cast version.

Loyal support

With this power goes, or should go, a realisation that they do not know what authority they have. The Peasants and the Democrats, like the Communists, "won" their seats not in open competition with Solidarity but as part of the reserved coalition block. They

can argue that their years of loyal support secured impor-tant defences for Poland's civil society, and that claim cannot be dismissed. But they are now paying for their identification, year by year, with the totalitar-ian regimes of Poland's post-

Thus a simple transfer of loyalty from government to Solidarity would be seen by the public and by their own best elements as a piece of opportunism. They should bargain with Solidarity but should be a seen of the seen of with Solidarity but should have one demand of their own above those of ministries or programmes - a demand for fresh and full elections in the

Economic collapse

Elections would serve not only the abstract needs of dem-ocratic principles, but also the urgent needs of economic collapse. A Communist-dominated government, of the kind Gen-eral Czesław Kiszczak is trying to form, will not get the sacri-fice and discipline from society which must now follow. A coalition such as that suggested by Mr Walesa – either in government or as a parliamentary majority supporting a non-political government of experts - with a fixed term of, say, one year and a clear programme of economic restructuring (on which there is anyway a broad consensus) would give the parties time to take each other's measure as partners, time to thrash out their own programmes - a process which may see both Solidarity and the PUWP splitting and re-aligning - and, above all, time to educate Poland's voters in the responsibility of choice.

That course has obvious dan-

gers because the situation is inherently dangerous, but it avoids further provoking a society which has demanded an end to communism. It allows the PUWP reformers a space in which to develop the social democratic party they say they want; it gives the Peasant and Democratic parties the opportunity to create a real base, which they insist they want; and it forces Solidarity to evolve from a movement to a party or, more likely,

to parties Poland is over-ripe for democracy. If it does not get it, its new fruit will fall, and rot.

Slow down, Mr Clarke

One of the trickiest questions facing the British Government is how aggressive a stance to adopt over reform of the National Health Service. Mr Kenneth Clarke, the Health Secretary, has vigorously pro-moted his white paper proposals and is known to want to press ahead with legislation this autumn. But his abrasive campaigning style has not been effective in winning sup-- either among the general public or within the medi-cal profession. If the Government tries to move too fast, it risks provoking a storm of opposition during the run-im to the next general election. More important, the hasty implemenation of untested policies could also result in poorer

quality care for NHS patients. There is a strong case, therefore, for heeding the advice offered by the House of Com-mons Social Services Committee. The MPs support Mr Clarke's efforts to improve the management of resources within the NHS, but caution against trying to introduce a market in health care in advance of establishing the necessary infrastructure. The first priority, they suggest, should be to get resource allocation, costing and auditing arrangements in place and working. US experience suggests this could take several years. During this period, the costs and benefits of the main white paper proposals - such as self-governing hospitals - could be demonstrated in a series of controlled trials.

Purchasing agents

The white paper's declared aim is to achieve a split between purchasers and providers of health care. Under present rules, the roles are blurred district health authorities both hold budgets and provide care for their local populations. In the proposed system, districts would become pur-chasing agents, buying care from independent providers in both the public and private sectors. In order to generate revenue, hospitals would have to compete for contracts offered by the purchasers, which would include budgetholding general practitioners. Ministers assume that the split between purchasers and

providers would make the NHS both more cost efficient and more responsive to consumers This might happen. But there are many potential hazards. In the first place, the structure of incentives throughout the NHS would be radically altered. At present hospitals get a fixed budget and strive to provide as much medical care as possible within its constraints. Resources are allocated mainly on medical grounds. But in the new system, providers would be able to retain surpluses the size of which would depend on profits earned from contracts. It seems inevitable that financial imperatives would gradually gain precedence as they have in the US.

Complex regulation The Government may

respond that the purchasing districts, buying services on behalf of patients, would ensure that the providers behave themselves. They would exert some discipline; the question is whether it would be sufficient. Overseas experience suggests that suppliers of health care, once they enter a competitive environment, are adept at circumvent ing the controls imposed by purchasers. In Mr Clarke's sysself-governing hospitals, with freedom to set their own pay scales, would end up with con-siderably more clout than the harassed purchasing agents. As the select committee notes, competing health care providers tend to require ever more complex regulation.

Mr Clarke has emphasised that his aim is to improve the performance of the NHS, not to pardise its existence. Yesterday's report appears to accept that privatisation is off the agenda. But it is worth noting that the combination of a fixed health care budget, set by the Treasury, and competition between suppliers could prove explosive. Self-governing hospitals will be public corporations subject to a string of Whitehall controls. What could be more natural than that some will eventually demand to be priva-tised? The white paper reforms need not result in the break-up of the NHS, but they can be regarded as a step in this direction.

recarious it may be. But is the debt-laden empire of embattled entrepreneur Alan Bond really going to become the most spectacular of Australia's long and impressive list

of Australia's long and impressive his of corporate bankrupts?

Since R.W. "Tiny" Rowland's Lonrho group first alleged that Bond's companies were collectively insolvent.

rho group lits: alleged that Bond's companies were collectively insolvent, the pressure has clearly been mounting. And because much of Bond's financing has come from such international lenders as Hongkong and Shanghai Banking Corporation, First National Bank of Boston, Standard Chartered and Merrill Lynch, this is no parochial Australian matter.

Yet Alan Bond and the handful of close lieutenants who appear to have assumed a higher profile since the bankers' nerve ends started to twitch are nothing if not robust. On the 45th floor of Bond's monumental headquarters building in Perth — which seems immoderately out of keeping with the group's present financial circumstances — Bond Corporation's

with the group's present financial cir-cumstances — Bond Corporation's chief executive Peter Beckwith last week put a notably bold face on his group's predicament. "It's all bullshit," he says of Lon-rho's assessment of the Bond finances. And outside estimates that put the Bond empire's net debt at more than A\$10bn (£4.8bn) and Bond Corporation's debt at around A\$7bn? "Billions out," comes the riposte.

What Beckwith is not prepared to do is to give his own figure for the debt. Nor does he deny that Bond is under siege. And with the preliminary results for the year to June 30 due out by September 30 at the latest, an unusually tense audit is now under

Bond Corporation's auditors, Arthur Andersen, have already had the disconcerting experience of being invited to the offices of Australia's securities watchdog, the National Companies and Securities Commission (NCSC). "We've had detailed discussions about their conduct of the audit," says NCSC chairman Henry Bosch, "and we're watching the situation with some content of the security watching the situation with security watch watching watching with security watch watching with security watch watching watchin tion with care.

The survival of the group turns critically on Andersen's accepting that Bond Corporation is a going concern, capable of meeting its obligations as and when they fall due. That has been in question since the beauties. in question since the beginning of July when a tremor ran through the markets after Bond failed to meet its commitment to refinance \$200m of junk paper issued by its US subsidiary G. Heileman Brewing, America's fourth largest brewer. Together with the late payment of dividends and an apparent failure by Bond Corporation to repay a loan to its quoted Hong Kong affiliate, this technical default

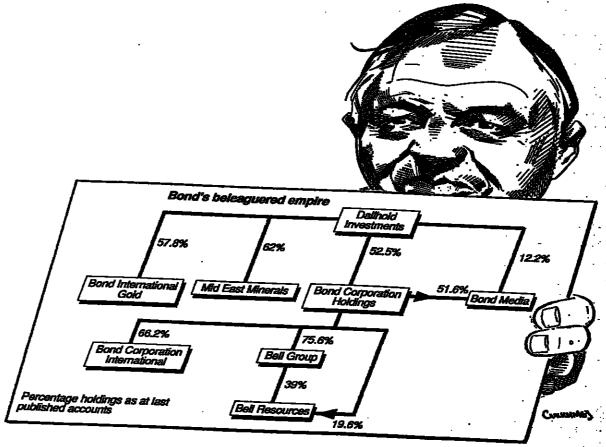
caused many of Bond's bankers to review their lending to the group. Beckwith admitted last week that there had been some withdrawal of support by the banks. But the Bond Corporation still had "normal relations with a number of banks in the world," he added, and the management still had a free hand with asset disposals. As for the technical defaults, he pointed out that the late payments were within legally permit-ted limits. Bond Corporation, he said, had never been in breach of a legal

obligation on monetary payments.

All this is consistent with the picture of Alan Bond as a man who pays (and often overpays) first and worries about the financial arrangements later – a picture that was reinforced at a court case in London last month where it emerged that Bond's top men not only failed to tell their own UK office which group company was buy-ing more than a fifth of Lonrho's shares but had no documentation for the transaction at all.

Yet this seemingly haphazard corporate culture did not deter an enthuand investors from advancing money to a company whose shares have largely been shunned by Australian institutional investors. Nor did the fact that Bond had been on the brink

John Plender, recently in Perth, finds the entrepreneur down but not quite out



Alan Bond sells for survival

of collapse in the mid-1970s. The result is an extraordinary ragbag of an empire, in which bankers have lent money to finance everything from post-impressionist works of art to a telephone company in Chile, from airships in the US to a private univer-

sity in Australia.

And Bond Corporation has an extraordinary balance sheet to match. In the last published accounts, share-holders' funds of A\$1.9bn were com-pletely wiped out if intangible assets such as the value of Heileman's brand names and television and radio licences are excluded. That suggests that the bankers were busily advancing money to individual subsidiaries or projects without regard for the wider group picture.

The complex debt structure that results from this bankerly tunnel vision does not make for easy unwinding. In the main, property and share stakes have been financed by secured loans, while other assets have been financed with a variety of instruments ranging from unsecured junk bonds to non-recourse bank loans, whereby the banks have no redress against the parent company in the event of default by a subsidiary. But most of those loans — with the exception of the debt in Heileman - do have cross-default clauses. That means that a single bad loan can

None of this would have mattered if the group's much publicised philoso-phy of using cash flow from brewing to meet the demands of Alan Bond's

cash-hungry acquisitions had worked.
But Bond Corporation admits that
Heileman is losing money, even after
implementing its controversial
accounting policy of carrying forward
marketing expenditure in the balance
sheet — though group chief accountant Chris Bennett insists that this
deferred expenditure is insigntificant deferred expenditure is insignificant in relation to group profits. Meanwhile the profitable Australian brewing interests, including Swan, Castlemaine XXXX and Tooheys, have seen some loss of market share.

At the same time debt servicing requirements were uncomfortably increased last year when the regulatory authorities forced Bond Corporation to extend a full bid to shareholders in Robert Holmes à Court's Bell Group. Bond ended up offering A\$2.70 a share for a company with net assets a snare for a company with her assets of A\$1.19 a share, or a negative net worth if Bell Group's associate, Bell Resources, was included at market value. As well as saddling Bond Corporation with A\$500m of debt, this weakened the halance sheet further by introducing a hore gnodwill item.

by introducing a huge goodwill item.
In those circumstances, retrenchment was clearly in order. Hence an attempt last year to sell Bond Corporation's brewing interests for A\$3.5bn to Bell Resources. This would have worked wonders for the Bond Corporation balance sheet; but the deal has been stalled by demands for more information from the Australian Stock Exchange amid allegations from analysts that the brewing interests are over-priced. The Stock

ing a global asset sale, with the goods already disposed of including a stake in Standard Chartered, the Bond Centre office development in Hong Kong and a valuable share of Central Queensland Coal Associates, to name but three. Yet Alm Bond could not

With the preliminary results for the year due out by September 30, an unusually tense audit is now under way

resist a simultaneous buying spree for low or non-yielding assets, among them the troublesome stakes in Lon-rho, the St Moritz Hotel in New York, the Compañia de Teléfonos de Chile and a big commitment to the Kwin-ana petrochemical plant in Western

This activity helps explain the widespread perception that the Bond group is heavily dependent on the proceeds of capital sales to meet debt servicing obligations. Since solvency

turns critically on asset values, the question is how much future disposals will raise and what attitude the auditors will take to asset values in the interim. According to the NCSC's Bosch, this is likely to be the subject of "agonising discussions" between Bond and Arthur Andersen. It has already been the subject of a complex and heated debate between Lonrho and a handful of Australian analysts. Some are Bond groupies, others are convinced that Alan Bond is the world's biggest minus billionaire.

The assets that pose obvious difficulties include:

The television and radio interests. Last month the Australian Broadcast.

The television and radio interests.
Last month the Australian Broadcasting Tribunal declared Bond not fit and proper to own the company, a verdict which Bond is contesting in the courts. The saleability of Bond's stake in British Satellite Broadcasting, which has substantial future cashneeds, is questionable.
The Lombo share stake. Attempts to sell the shares earlier this year found no takers.
G. Heileman Brewing. A combination of losses and the failure to meet targets in Bond's ewn five year business plan is bound to raise questions

ness plan is bound to raise questions about the carrying value of Heile-man's brands in the balance sheet. The petrochemical project, where the Wesbrn Australian government is demanding a reduced role for Bond Corporation in reportedly "robust"

corporation in reportency robust negotiations.

On the positive side, Bond Corporation has a host of saleable assets. Yet its ability to extract high prices is not helped by the general perception that Alan Bond is a forced seller. All eyes are on the hoge Chifley Square development with in the contract of Sydney. opment site in the centre of Sydney, where an imminent sale by tender may show how far the recent collapse of Hooker Corporation has affected the property market.

the preperty market.

Nor, necessarily, is Bond helped any more by the existence of large minority shareholdings in quoted group companies. Since much of the borrowing in Alan Bond's private master company Dallhold investments is secured on shares in quoted subsidiaries and essentiates which ments is secured on shares in quoted subsidiaries and associates which have plunged over the past 18 months, there is pressure on Dallhold to sell assets to service its debt, and contingency plans exist to sell mineral interests to Bell Resources if the brewery deal fails. Yet the securities watchdogs have been closing in on such potential conflicts of interest. So, too, has the credit rating agency Australia. too, has the credit rating agency Australian Ratings, which not only gives an exceptionally low "CCC" rating to Bond Corporation, but accords the same rating to the healthier Bell Group and Bell Resources on the ground that their affairs are inexora-bly linked with those of Bond Corpo-

Meantime, fellow entrepreneurs are casting a vulpine eye over the Bond group's assets — though what help they will offer is a most point. Australia's business culture is distinctively egalitarian and many prominent busi-ness people feel that with his boats, planes, Irises by Van Gogh, English manor house and controversial offshore tax arrangements, Alan Bond needs cutting down to size — though preferably not via receivership or liq-uidation, which would be harmful to the international image of Australian

So the humbling of Alan Bond is giving a fair amount of pleasure to those who enjoy the peculiarly Anstralian sport of colling what are known down under, as "tall poppies". The September quarter day, on which interest payments are due, and the publication of the annual accounts are awaited with high anticipation. Yet for Bond it may prove to be a esis. For the consensus in Australia is that the existing management is making a better fist of asset disposals than any liquidater would do— which, some might think, is far more than the bankers deserve.

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Racing on Sundays?

■ Christopher Haines has been appointed to the new post of Chief Executive at the Jockey Club, the governing body regulating all forms of amateur and professional horse racing in Britain. And the betting is that one of his tasks will be to seek to lobby for the intro-duction of Sunday racing.

Haines was formerly chairman of the sugar industry com-pany ED&F MAN and is chairman of the UK Sugar Merchants' Association. He has a reputation of successfully lobbying for the industry in Westminster and Whitehall and recently persuaded refiners to mount their first bigadvertising campaign in 30 years.

Now 50, he is a long time racing fan, raced himself during National Service and rode out for the trainer, Toby Bald-ing. At the Jockey Club he will work in tandem with the Marquess of Hartington, the Senior Steward. The full-time post, starting in October, is thought to carry a six figure salary.

London life

■ Awake in the middle of the night to the sound of rainfall. Glad about that. Sound is very pleasant and haven't heard it for a long time. Good for the garden. Remember that even if it is still pouring in the morning, it won't be too diffi-cult to get to the office because the Underground strike has been called off.

A few hours later, arrive at the Underground station only to find it closed because of flooding. After lunch: stopped raining, Underground seems to be running, three circle line trains signalled to be coming within a minute of each other. Then station announcement: "There will be no more circle line service until further notice." Overhear Underground staff quarrelling with each other. One of them

OBSERVER

says: "The central line will be stopped as well in a min-ute." "Who are you?" another man asks him. Third man appears: "And who are you?" "I'm the driver." Third man gets back into central line train which has stopped halfway down the platform and drives it off. Read in the evening paper

that there might be a breakaway union of militant drivers called the New Association of Train Operators. It will be known as Nato.

Anglophile

■ A little-noticed fact about Toshiki Kaifu, Japan's third Prime Minister this year, is that he has quite close links with Britain. He was deputy chief cabinet secretary when the Queen visited Japan in 1975 and played a large role in the arrangements for the visit. In return he was awarded with the KBE.

Kaifu has also been a long

standing member of the Japan-British Parliamentarian League and was a founder member of the 2000 group of Japanese and British political and business leaders formed five years ago to discuss issues of mutual long-term interest. He and his family live in a flat only a few streets away from the British Embassy in Tokyo and, as Japanese television viewers could see during interriews with him there early this week, a large British flag hangs on the wall in his study.

Poor Nick

■ The US Treasury Secretary is called Nicholas Brady. But he seems not to have made much of an impression on the world press, which insists on calling him James, possibly



"Nice place to visit, but I wouldn't like to live there.

after his predecessor. James Baker, or a one-time press sec-retary to Ronald Reagan, Jim Agency did it again yesterday. The correction did not much help either. It called him Nicholas Brasy.

Diplomatic golf ■ Whether two women in the new Japanese cabinet can redress the accumulated years of political neglect by the rul-ing party is a moot point. But one of them, Mayumi Mori-yama, the new environment minister, was herself not so long ago the victim of a singularly egregious act of discrimi-

Moriyama likes to play golf. Thus, some five years ago, when she was parliamentary vice-minister for foreign affairs, it seemed quite natural to her that she should play in the annual golf tournament between the Japanese foreign ministry and the Tokyo diplo-

matic corps. It did not, however, seem so normal to the exclusive club where the event was held. The club did not allow women to play and refused to make exceptions for her, or indeed for her bureaucratic colleagues, who were conspicuously reluctant to plead her case. They played and she didn't.

However one politician, not Japanese, was able to capital-ise on what became a very public affair. Henry Cisneros, then, and still, mayor of San Antonio, Texas, happened to be in Tokyo and was due to see Moriyama. He had come laden with presents from home -Navajo shawis for the women and Texas-made golf putters for the men. The temptation to switch was irresistible.

Buster's error ■ Buster Mottram, one-time bright hope of British tennis

and subsequently better known for his right-wing politi-cal ambitions, is not making any claims for his prowess at investment at the moment. Yesterday he launched into an impassioned diatribe against the board of Dominion international at the agm of the troubled finance, property and natural resources group

which also happens to sponsor tennis players.

Afterwards he cheerfully admitted his error in buying his shares. It thought any company foolish enough to invest in British tennis must be doing extremely well," he said. "It just goes to show how wrong

you can be."
The meeting was appropriately held in Wimbledon. The shares have recovered from lower levels recently and closed at 68p yesterday. In spring 1987, when Mottram picked them up, they stood at about £1.

Here to stay ■ Graffito in London's Kilburn: "Immigration is the sincerest form of flattery".

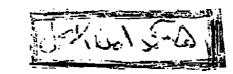
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MICROGNOSIS



FI writers examine the lessons of the British Army's 20 years in action in Northern Ireland

Two decades of soldiers in the streets

awaited with some trepidation by British authorities, next Monday marks two decades since the British Army was speked into Northern Ireland's

Like the troubles themselves, its impact is uneven. Much of the province carries on as a more or less normal part of the UK. But voung men and women who have already finished college

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Harry Brown Control

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There will be no commemorative balls, no mess parties, nothing at all that the British Army itself will be doing to register the 30 years since it first "went opera-tional" in Northern Ireland. In an atmosphere made ten-

ser by the death of a schoolboy. in Belfast early on Wednesday, apparently from a policeman's plastic bullet, it is only waiting for the Provisional IRA to mark the anniversary, before, on or after August 14. What, when or where, as always, is anybody's guess: that is the terrorist's constant advantage. Who can claim to have forecast, when the troops first went on to the streets in Derry and Belfast, that they would still be there 20 years on?

Soldiers have now come to accept that there are no quick solutions, and none that the Army can achieve. The war not officially a war but, as Harold Wilson once said; not a etime situation either. — is not winnable in military terms. The most security forces can do is to contain it, hold the

ring.
The Army's role has changed since 1969. Moved in to quall disorders stemming from sec-tarian strife, not terrorism, its task later switched to the combat against the Provisional IRA, formed the following year: More than 10,060 regular and 6,500 Ulster Desence Regiment (UDR) troops — deployed at an

additional cost, on top of the normal peacetime garrison, of fi77m in the current tax year
- are there essentially to help
the police fight between 300 and 400 members of the Provi-The Army has little involve-

ment these days in maintaining public order. There is also terrorism by the Loyalist groups but that is not why the Army is there.
A short honeymoon with the

Catholic population (it was 18 months before the first soldiermonths before the first soldier. On short-tour postings they was killed) ended with the go for four-and-a-half months

normality than one in which soldiers have been a permanent presence, their patrols, check points and searches part of day-to-day civilian life.

A resident garrison of 2,600 had already been reinforced when troops were first called out "in aid of the civil power." Three years later forces hit their peak - more than 30,000 soldiers including the

build-up of violence and with the divisive effect of internment and with Bloody Sunday in 1972.

For the last 12 years the police have had the primary role in Northern Ireland security. The Army's brief is to give an improved Royal Ulster Constabulary (RUC) whatever military support it needs. This includes tasks that soldiers are supposed to do better, such as bomb disposal and route clear-

since the 1985 Anglo-Irish agreement the principle has been that troops should have policemen with them on operations involving direct contact with the public, house searches for instance, one of the higgest sources of aggregate. the biggest sources of aggrava-tion. However, for other kinds of patrol the police are not always available.

Of the 2,762 people killed since 1969 in the troubles, 415 have been regular soldiers and 180 members of the UDR. Northern Ireland has become a fact of British Army life. Ten

regular battations are there at any one time; 10 others are preparing, as much as two years ahead, to go there. This means that more than half Britain's infantry is either serving there, getting ready to serve or getting over serving Hardly any officer who is

anybody has not been. Many have done several tours. However, such is the turnover rate in the Army that every time a battalion goes to Northern Ireland it is the first time for a large proportion of its soldiers Squaddies now patrolling streets or backwoods were not born, or only just born, when the situation arose. When soldiers join up they are told they will almost certainly go to Northern Ireland. The Army says: "They know that. They've opted for that. Nobody's twisted their arm to

much of the cash flow.

210 which Lex refers to.)

Regiment. There are now 16,500, including the UDR. With hindsight, officials say it was unavoidable in 1969 that troops should become involved, with the province's police forces unable to cone with mounting disturbances. nd the Catholic community

living in fear of reprisals. "We knew," they say now, "that it would be difficult to disengage.' - due to be extended to six months - without families.

These are the intensive-duty roulement" battalions. In addition to the two stationed in the hard nationalist areas of West Belfast and South Armagh, two more were added in 1986 to protect police sta-tions and provide extra patrols. They are now incorporated in border operations, for which another brigade - 3 Infantry Brigade, based in Armagh ~ was formed last year.
Officials indicate that Army strength will be brought back

to the pre-1986 level " appropriate." This would leave a regular army total of about 9,000, compared with a peak in 1972 of 22,000. Six "resident" battalions are

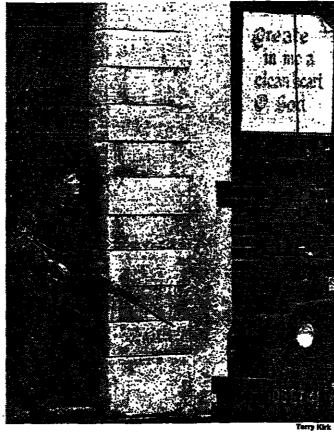
in Northern Ireland on twoyear tours. Soldiers can take wives and families. Life for em, in some cases, is markedly relaxed.

There is more contact with ordinary people than the media tends to depict. Soldiers are not confined to barracks, although not all areas are "inbounds." They are able to meet local girls and sometimes they marry them. It is not unknown for officers to choose to retire to Northern Ireland. However, most local people usually only come across sol-

diers in uneasy situations, such as vehicle checkpoints which are seen as having mainly a deterrent value. The checkpoints rarely produce anything and the degree of interference is inevitably greater in Catholic nationalist The biggest brunt of unnova-

larity, however, is taken by the set up in 1970 after the hated all-Protestant B Specials were disbanded. UDR members live at home

and are trained only for their Northern Ireland job. It is the biggest and newest infantry regiment in the British Army and was as much as 18 per cent Roman Catholic in the early



A soldier in the early days of the Army's Uister presence

days but that proportion is now less than 4 per cent.

The UDR's full-time element has built up to 46 per cent, with part-timers filling in on night and weekend duties. Within the Army, the regiment has gained in prestige. It has more than 100 regular officers and NCOs, including the nine battalion commanders, who are carefully selected and regard it as a close second best to having their own regular battalion. For regular soldiers, North-

ern Ireland is like a foreign posting. They are away from their regimental base and, in roulement battalions, their families. Talk of being "over here" or of "nipping back to the UK" is frequently let slip. The Army itself has used these 20 sad years to learn and hone skills. It had counter-insurgency experience in places like Cyprus and Aden but techniques have been greatly refined, notably in gathering intelligence, obtaining forensic evidence and dealing with

explosive devices. However, while its sophisti-

cation has grown, so has the Provisional IRA's. Prepared for the long haul, the Provisionals have been sustained by the conspicuous presence of Brit-ish soldiers. Their own claim to the status of an army has been bolstered.

Although the number of shootings and bombings has fallen - hundreds, not thou-sands, each year - the Provisionals' hit rate has improved. It has current-issue weapons and is resourceful in improvising new ones. It is thought almost certainly to possess SAM-7 ground-to-air missiles. The Army is crossing its fin-

gers that it does not also have US-made Stingers, a missile that is easier to operate and that proved decisive in the hands of Afghan rebels. The Army relies heavily on

helicopters for reconnaissance and troop movements. If its helicopters started falling prey to missile attacks, it would change the nature of the con-

David White

August 14 1969, a v company of the Prince of Wales Own Regiment entered Londonderry to assume "peacekeeping duties," the city looked as though it had just been through a raid by the Luftwaffe.

Riots had been going on for days. A cloud of CS gas seemed to be hanging permanently over the city. The shattered glass of a thousand petrol bombs was everywhere. Barbed wire stretched across streets. Buildings were gutted, cars burnt out. Many things have changed

in the city in the last 20 years. Londonderry is now a quiet, almost sedate place: there have been fewer incidents of violence in the last month than in any comparable period in the last 20 years.

The politics of Londonderry has been turned on its head Twenty years ago a minority Unionist population had gerry-mandered ward boundaries to maintain council control. Now the nationalists rule.

Twenty years ago the Catholic estates of the Bogside and Creggan were grubby representations of the very worst of Victorian deprivation. Heavy public investment has rebuilt and refurbished whole streets and estates. Last week the last of the Rossville Street flats, scene of some of the worst rioting of 20 years ago, were being

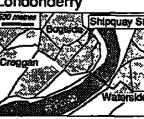
On a bright morning, looking out over the River Foyle winding its way past the city, it is easy to feel that the troubles are a thing of the past: that, as the Government often argues, Northern Ireland is a normal place, its problems blown out of all proportion by IRA propaganda and media

But Londonderry's problems are not at an end. Twenty years ago housewives in the Bogside and Creggan vied with each other to offer cups of tea and cake to the troops. Today Army patrols exchange few words with the locals. When it happens, there is usually

City centre shopping might seem normal. But there are still soldiers crouched at the corner, high-velocity weapons trained directly down Shipquay Street, the main shopping thoroughfare. House searches continue: road blocks are mounted constantly.



Londonderry



There are fewer than 100,000 people in Londonderry. The city never suffered the bitter sectarianism of Belfast. Yet it more divided than ever. Over the years increasing numbers of Protestants have left the area around the old walled city and crossed the Foyle to the Waterside district. Numbers of Roman Catholics have moved the other way.

Mr Paddy Doherty was one of those at the forefront of the civil rights marches and riots of 20 years ago and helped organise the famous occupation of the Bogside and proclamation of "Free Derry."

He says now: "The saddest thing of all is that Catholics and Protestants have not rebuilt the city together. They (the Protestants) are now isolated on the other side of the river." Mr Doherty, 63, has been one of the driving forces behind the regeneration of Londonderry's city centre. A former builder, Mr Doherty has managed to involve the Protestant and Catholic bishops of the city, the Government and US fundraising groups in an Inner City Trust to rebuild bombed-out and neglected premises within the ancient city walls.

Derry had its name changed officially to Londonderry when the city was handed over to a group of London merchants in the 17th century. The settlement, or "Plantation," of Protestants dates from that time.

Many of the original mer-chants' buildings have been restored. Mr Doherty has also opened a special exhibition about the eight-month Siege of Derry in 1689 by the Catholic James II, an event still commemorated by Ulster's Protestant community.

We should not allow history to abuse us. The siege is sacred to the Protestants. But if the truth were told it was all mixed up. I'm sure my ancestors would have been fighting on both sides." Mr Doherty has very definite views about present day events. "The Army has to go. It has no place here. We can't consummate the marriage between our two communities with the third party still in the bridal chamber.

Mr Doherty's rebuilding programme is not supported by everyone. In the old days Catholics would be locked out of the city walls at night. Protes tants now say they are frozen out of their own city. Many Roman Catholics are cynical about the numerous community projects that have sprouted in the city. These it is said have been

used to hide the seriousness of the unemployment problem. Londonderry has always had high unemployment. But 20 vears ago the jobless rate was only 12 per cent. It is now officially 24 per cent. In the Bogside, 75 per cent of males over 18 have no jobs. In spite of fair employment reforms and new political alignments. Roman Catholics are still twice as likely to be unemployed as Protestants.

Ms Goretti Horgan, of the EC-funded Derry Unemployment Centre, says there is still very real poverty in the city. "You really notice it going into homes, there is hardly any furniture or there might be no toilet paper or toothpaste. The heating is there but there is no money for fuel." Little new industry is mov-

ing to Londonderry. Mr Tom King, the former Northern Ireland Secretary, recently came to the city to announce 300 jobs in the public service. The following week 280 people were made redundant in a reorganisation of public health catering services

"Although it has suffered greatly over the past 20 years the heartbeat of the city and its people remains strong," says the local tourist guide. That is true: Londonderry has withstood a great deal over the last 20 years. But it still has more than its share of prob-

Kieran Cooke

'Priority: dividends'

Sir, Lex had a lot of sensible things to say (August 7) about BAT and the £4 gap from a market price of £6 to a break-up value of £10, which created the Hoylake opportu-

We would like to suggest that the whole situation could have been avoided if BAT had

pursued a more generous divi-dend policy over recent years.

The point is simple. It starts from the structure of the UK market, which is based on much higher interest rates than the other big centres, therefore reflecting higher discount factors on future growth: Current income is more impor-

tant in valuation.

Why do so few companies recognise this, in their policy (rather than in words? Take a bond. Nobody queries that the market price of a bond is related to current interest rates. A long-dated bond with an "asset value" (that is, a

guaranteed redemption) of £100 and a coupon of 6 per cent will stand at £60 and a yield of, say, 10 per cent, if that is the going rate. The "asset value" is there, but not until it gets very near redemption will it affect the market price. If the bond coupon were 10 per cent, however, the market price would be at "asset value." What is different about a share? Well, there is likely to

be a "growth factor" in the divldend valuation. But it has to be significant enough — and certain enough - to overcome the naturally high discount characteristics of UK markets. Everyone accepts that an efficiently priced long bond can-not stand at its "asset value" if the coupon is lower than the going rate. Why should we be surprised that a share is below "asset value" if its "coupon" (that is, its dividend, including growth factor) is too low? You would only expect it to rise in price if it either distributed

more, or promised a break-up.
What do we mean by "too low"? This can imply several things. It could be that the basic profitability is low, either through external circumstances in, say, a depressed industry; or that management is poor and unable to work the assets properly. This is clearly

not the case with BAT.

It may imply, however, that profits are not being distributed on sufficient a scale to the shareholders; they may be

carry out their enforcement

Fom Lord Ezra.

Sir, I was pleased to read your leading article, "A policy for safer food" (August 2). At the Institute of Trading Stanmerely piling up in cash or equivalent form, or being ploughed back into acquisi-tions at prices which absorb dards Administration's annual There are grounds for think-ing that both these factors conference on June 27, as president of the institute, I called apply to BAT. For years, BAT's for just such an independent distribution ratio has clearly been inadequate to close the organisation as you propose: an Office of Food Standards gap between balance sheet esti-mates and present value to shareholders (the current 26 to and Safety, modelled on the successful Office of Fair Trad-ing, to handle all matters of food safety, standards, label-ling, within the overall frame-work of consumer protection.

We are not offering this as criticism, merely as fact. We know BAT has an advance cor-The most important ingrediinow BAT has an advance corporation tax (ACT) problem as
an overseas corporation, and
would find a high distribution
expensive. But what would
BAT ultimately have lost if its
distribution ratio had been 60

per cent of earnings, instead of from 20 per cent to 30 per cent over the last decade? Distributing more of your profits to shareholders raises your share price. There may be limits of prudence here, but these limits are nowhere near tested by most companies. The standard defence against high distribution — the need for

reinvestment for future growth is also greatly overplayed. If assets are profitable they can be financed by many other means than retentions. Companies fool themselves if they think that retentions are "cheap finance." They are not. They ultimately cost the standard rate, the "cost of capital," which is partly a function of the company's actual share

price. High retentions depress share prices.

BAT may be the most dramatic example of this thesis, but there are many more. In BAT's case, it may be too late for management decisions to alter the structure, but other companies' boards could learn from it. We are not trying to tell companies how to run businesses, simply to remember the principles involved: if your business is up to the standard of profitability and generates surplus cash, make dividends your priority and think about finance for expansion (or for diversification) as a separate issue. Growth will not suffer if the profitability is right. And the chances of all these disruptive and unseemly "raids" on your assets will be greatly lessened. It would be better for all

M&G Investment Management Three Quays, Tower Hill, ECS

Safe food requires enforcement

functions in the factory and tion chain: ranty provisions in compliance with the European Food Control Directive:

Tighter controls to prevent

ents needed in the new Food Bill to improve food standards and enforcement include: A duty to provide safe food,
 as the Consumer Protection

Act 1987 has, for all other con-■ Additional powers for trading standards officers and environmental health officers to throughout the food distribu-· Removal of the current war-

 Introduction of an effective due diligence and reasonable precautions defence;

misleading labels and adver-tisements; • Making it an offence to

have in possession for sale food which is not of the quality, substance, nature or composi-tion described. The practical test of the UK Government's resolve will be whether it is prepared to make available the necessary increase in enforcement

resources. Derek Ezra,

Directors' earnings compared

From Mr E.C.S. Baifrey.
Sir, It is often the practice for public companies to include in their annual reports performance comparisons of turnover, profits before tax, earnings per share and dividends per share covering the previous five or 10 year periods. In view of the astronomical increases in the remuneration of company directors during the past two to three years, it

would be illuminating to include comparisons of the directors' total earnings, including perks and expenses,

for similar periods.

This would at least put the matter in perspective. It will be interesting to see who will be the first to unveil. 1 Broadfern Road

Solimil, West Midlands

From Mr Jeremy Strachan. Sir, You report (August 8) that the recent New Zealand budget has won "widespread praise." But the owners of patent and trade mark rights relating to pharmaceutical products are unlikely to join in the general applause.

With no prior consultation or debate, an amendment has been made to New Zealand's Medicines Act which permits the government to bring medicines into the country without incurring any criminal or civil liability of any kind.

This amendment enables the New Zealand government to purchase pharmaceuticals outside New Zealand and import them for sale, ignoring the patent and trade mark rights of the companies which have invented these products and built up a reputation in them. There is no provision for any payment of royalty to the own-

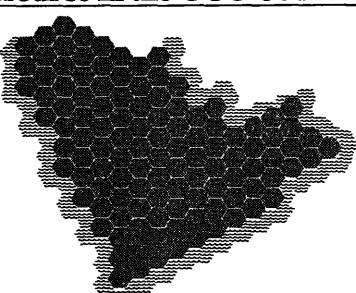
Royalty goes missing ers of intellectual property rights who have been thus

This abrogation of private property rights extends to non-New Zealand companies, such as Glaxo, which are owners under New Zealand law of the patents and trade marks concerned.

At a time when the Uruguay round of the Gatt (the General Agreement on Tariffs and Trade) is seeking to improve levels of intellectual property protection worldwide, it is wholly unacceptable for the government of a prosperous developed country suddenly to pass legislation allowing the confiscation of private property by the state, without com-

pensation. Jeremy Strachan, Group Legal Services, Glazo Holdinos Lansdoume House

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FINANCIAL TIMES

Friday August 11 1989



Fear of death sours the festival of Kandy

By David Housego in Kandy, spiritual capital of Sri Lanka

THIS is festival month in Kandy, the spiritual capital of Sri Lanka. At night priests, elephants, drummers and dancers traditionally parade through the streets to honour the relics of Buddha housed in one of the country's most sacred temples. But there is none of that this

vear. Fears of bomb attacks by the JVP, the Sinhalese extremist organisation, in crowds that can number tens of thousands mean that the procession, or perahera, has been restricted to the inner walls of the Temple of the Golden Tooth. Yesterday Mr Neranjan Wijeyeratne, chief custodian of

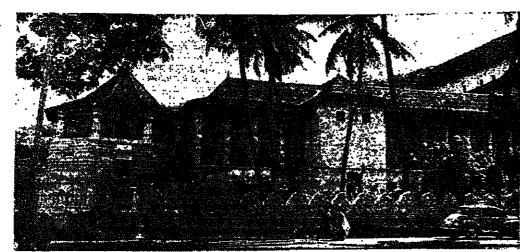
the temple, received three anonymous calls allegedly from the JVP telling him to go ahead with the public proces-sion that brings the ceremo-

sion that brings the ceremo-nies to a climax on Aug 16.

But with power in Sri Lanka today precariously poised between terrorists and Govern-ment, he was seeking as well the reassurance of further police protection. "We want to go ahead, but we are still uncertain," he said.

Over the past two months.

Over the past two months, Kandy, which earlier had scaped much of the violence of the south, has been sucked into the same fearful scenario. 'We have never experienced such a situation before," says Mr Parakaram Ranasinghe, a



Temple of the Golden Tooth: appeal for further police protection in the festival

civil rights lawyer. He believes that 20-30 people a day are being killed in the Kandy region in the war between the JVP and security forces with both sides dumping bodies, often mutilated, by the roadside. He says that 1,500 people are being held by the army and police. "We don't know where they have been

taken." Peradeniya University, just outside the city, and one of the country's most famous cam-puses, lies closed with troops guarding the entrance behind a mound of sandbags. The army raided the campus on July 12 in search of weapons and activists. A burned-out Jeep tells of earlier battles.

A resident foreigner says that his secretary is away from work because her uncle was shot by the JVP two days before. "When people you know are being killed, you realise how serious it has got."

carrying automatic weapons have been killed recently.

By fear and intimidation the JVP are close to running an alternative government in the town. "People obey them more than they would the Government, because they are afraid," says one official.

The JVP now appear to have their supporters placed in most government offices, state-run and private businesses. They can present a benign face tele-He lists the managers of tea phoning a company politely plantations that he knows but anonymously to remind it

to close on days the JVP has called a strike. But they can be more brutal in their methods - last week burning three Jeeps of the international intigation Management Institute that were seen on the roads in defiance of a strike call.

Middle - class families get anonymous calls telling them that the details of their bank accounts are known and they should make a percentage con-tribution to JVP funds.

Action by the security and paramilitary forces against the JVP has intensified since the beginning of last month with the appointment of a new district police chief, Mr P. Uda-gampola, known for his toughness in the south. During curiew hours in the early morning, security forces in unmarked vehicles carry out

raids on villages or residential quarters of the town.

Sometimes those they have taken into custody turn up as bodies by the roadside a few hours later. Mr Ranasinghe believes that with such police brutality the JVP are gaining

more sympathy."

Caught thus between the hammer and the anvil, people hurry bome after six. Instead of the crowds that usually of an evening throng the city at festival time, the streets are deserted. Kandy cannot remember an August like it.

UK warned interest rates must

By Peter Norman

REDUCING Britain's high inflation rate and large cur-rent account balance of payments deficit will be a protracted task with interest rates staying high, the Gov-ernment was warned yester-

tion and Development differed strongly about whether exist-ing policies were adequate for the job.

The Bank, in its latest quar-

policy beyond the level set in the March Budget.

The OECD report is largely based on economic data avail-able up to May before evidence

bring inflation down. The Bank, however, believes that the fiscal stance in Britain is extremely tight. This is despite a shift in the public sector finances to a \$200m (\$325m) deficit in the first quarter of the current financial year compared with a £1.6km surplus in the same period of 1988-89 and the Bank's belief that the 1989-90 Budget surplus may turn out to be lower than the £14bn envisaged in March because of a large scale take up of subst-

a large scale take up of subsi-dised personal pensions. Although a reform of National Insurance contribu-tions will put nearly £1hm of extra spending power in con-sumers' pockets between Octo-her and the end of the mount

stay high

in London

However, in separate reports, the Bank of England and the Paris-based Organisa-tion for Economic Co-opera-

terly bulletin, is satisfied that the step-by-step increase in clearing bank base rates to 14 per cent over the past year has brought the growth of domestle demand in Britain down to the level envisaged at the time of the Budget last March.

It stressed that wage pres-sures were a threat and interest rates may have to stay high longer than had been hoped, especially if sterling came under selling pressure.

The OECD urged the Government to tighten its fiscal

mounted that the credit squeeze was slowing Britain's overheated economy. But offi-cials in Paris yesterday stood by their demand that the Gov-ernment should adopt a "more ambitious fiscal objective" to

ber and the end of the current financial year, the Bank still expects domestic demand will grow by only 2 per cent in the six months to the end of December. That would be in line with Budget forecasts and markedly below last year's 6.5

Italian drama plays to a new house

Alan Friedman in Milan describes how a middle-aged crêpe-seller has written another act in a 17-year-old plot of anarchy and death

F YOU stroll along the promenade in the Ligurian seaside town of Bocca di Magra, a summer resort whose yacht basin is packed with sail-boats and motor launches of every size and shape, you will come upon an innocuous-looking caravan from which a middle-aged man sells crêpes. Night after night he is there,

spooning chocolate sauce on to

buckwheat and handing the tasty pancakes to eager passers-by. The heavy-set man, however, is no ordinary ven-dor: he has a secret few of his customers would suspect. Leonardo Marino, once a mil-itant worker at Fiat's Mirafiori car plant in Turin and now a dispenser of summertime crèpes, has admitted to having been a left-wing terrorist. Last year he walked into a Milan police station, said he was troubled by his conscience, and confessed to having played a part in the murder 17 years ago

Luigi Calabresi.
This week, a Milan magistrate who has been investigating the shooting of Mr Calabresi all this time brought homicide charges against Mr Marino and three others who are accused of masterminding the killing as an act of political terrorism It is all the stuff of another

era, of another Italy, an Italy which seems remote from today's prosperous, capitalist nation – even though Mr Giulio Andreotti was then, as now, Prime Minister.
The killing of Mr Calabresi

in 1972 marked the beginning of a decade of violence by both left-wing and neo-fascist terror-

Black gets top

Continued from Page 1

ists, the so-called "years of lead" that culminated in the kidnapping and murder by the Red Brigades of former Prime Minister Aldo Moro. With the crepe-seller's con-

fession and the prospect of a trial, it looks as though the "new Italy" of the late 1980s is about to re-live a chapter from its squalid and not-so-distant past. It could be traumatic. Luigi Calabresi was a contro-

versial character: he was suspected by left-wing intellectu-als of having killed Giuseppe Pinelli, a young anarchist, by pushing him out of the fourthfloor window of a Milan police

These left-wing intellectuals, including those who will stand trial in Milan, were members of Lotta Continua (Continuous Red Brigades and an extremist left-wing organisation of stu-dents and workers with thousands of members.

of a senior Milan police official, ne of the most famous Milanese leftists in the 1970s was a talented playwright, actor and satirist by the name of Dario Fo. And the alleged killing of Mr Pinelli inspired Fo to write a satire that became a long-running hit in London's West End and on

> It is, of course, difficult to imagine that many New York or London audiences would have understood all of the Italian nuances. The play was called "Accidental Death of an Anarchist" and the story of this "accidental death," which is about to be re-told in a Milan

in 1969, during the "hot autumn" of worker discontent. It was a time when the idea of "proletarian revolution" still semed plausible to many left-

wingers in Italy.

In December of that year a
Milan bank was bombed by terrorists and 16 people died. To
this day it is not known whether the bomb was planted by left- or right-wing terrorists. The police official in charge of the investigation was Luigi Calabresi who arrested a suspected anarchist, Giuseppe Pinelli, and took him into police headquarters for ques-

According to the official report, Mr Pinelli jumped spontaneously to his death out of a window. His death was called suicide, but to Italian public ble as another famous "suicide" - when Roberto Calvi of Banco Ambrosiano stuffed his pockets with bricks and hanged himself beneath Black-friars Bridge in the City of

In 1970, a slogan was scrawled on a building across the street from Mr Calabresi's Milan house: "Calabresi: You too wili be suicided!"

By 1972 the Calabresi-Pinelli case was anything but forgot-ten. The atmosphere in Milan was thick with tension, anar-chy, gunfire. In March Mr Giangiacomo Feltrinelli, the millionaire publisher who financed left-wing groups, died mysteriously: he was said to

have been planting a bomb that exploded by accident. Mr Calabresi was put in charge of the case, and in May an anarchist arrested in Pisa

while demonstrating against him was found suddenly and inexplicably dead inside police headquarters.

few days later, according to the crepe-seller's Lotta Continua including Adriano Sofri, an art historian, sent him and a fellow militant, a journalist, to kill Mr Calabresi. This was the incident that ushered in post-war Italy's most violent decade.

Last year, crêpe-seller Leon-ardo Marino confessed to the was arrested. Lawyers for the latter say Mr Marino's confes-sion is riddled with contradictions. But this week, 17 years and two months after one of Italy's more traumatic moments, the crepe-seller, the journalist, the art historian and another former student leader, now a businessman, were formally indicted and charged with the Calabresi murder.

The trial is expected to take place later this year, but already the atmosphere in Milan is thick with recriminations, denials and counter-

And as so often occurs in such cases, whether they be the "suicide" of Roberto Calvi or the alleged involvement of the P-2 masonic lodge in the 1980 Bologna train station bombing, few Italians believe that the truth will ever be really known.

As for Mr Marino, he was

back at his stand on the Ligur-ian Riviera this week, selling crèpes, awaiting trial and keep-ing his secrets to himself.

courtroom, is truly incredible. Lotta Continua was formed Two Germanies linked by air

US military iob By Haig Simonian in Leipzig

The 52-year-old has earned inter-German relations, which took a nosedive in the last three days following the clo-sure of Bonn's refugee-packed the post by proving himself a loyal and efficient operator in the treacherous world of Washington politics. He served first as deputy, then as top national diplomatic mission in East Bersecurity adviser, during the last year of the Reagan Admin-

Yesterday's one-hour sched-uled flight by Lufthansa, the West German flag carrier, from Frankfurt to Leipzig, inaugu-rated a twice-weekly service between the two cities.

The service will be comple-Mr Bush, then Vice President, admired the work Gen Powell did in helping restore the confidence and authority of the National Security Council

staff after a battering during the Iran-Contra affair. lar service between Leipzig and Düsseldorf flown by Interflug, As national security adviser the East German airline. he also won respect as a smooth operator in Congress executive of Lufthansa and a important at a time of defence spending cuts - and tireless campaigner for improved East-West German

THE FIRST regular airline flight between East and West Germany yesterday boosted

for this."

mented today by the first regu-

Mr Heinz Ruhnau, chief

air links, welcomed the first Hauff, a former SPD transport regular flights since the Second World War: "It is a big day for those of us at Lufthansa who have worked a long time

Danzig-born Mr Ruhnau claimed he never gave up hope that Lufthansa would be given the right to fly regularly to Leipzig, a route it has sought

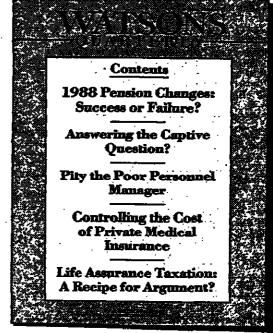
Flying to Leipzig was "a clear and recognisable sign of our big and proud German company," said the Lufthansa chief, who used to be a former senior civil servant in the Bonn Transport Ministry the then Social Democratic Government With the current frictions in East - West German relations clearly in mind, Mr Volker

minister and currently Mayor of Frankfurt, said: "This small contribution will make [relations in] our Fatherland a little less difficult than before."

Neither Mr Ruhnau nor Mr Hauff referred directly to the recent stream of East German refugees to West Germany, which has sparked the latest crisis in bilateral relations.

Speaking on the apron of Frankfurt airport just prior to departure, Mr Ruhnau repeated his ambition that Lufthansa should also be allowed to fly to West Berlin, a route reserved for Allied carriers. "Air traffic relations in our

Fatherland will only be nor-mal" when Lufthansa, "which was born in Berlin" regained the right to fly there, he said.



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WORLD WEATHER



UBS wins major stake in Nissan UK

Continued from Page 1

nies, has separated the Nissan concession for the wholesale distribution of vehicles, spare parts and forklift trucks (NUKH) from the retail, finance and transport busi-

nesses (AFGH).
Nissan Motor has previously held discussions with Mr Botnar with a view to regaining the UK franchise for its vehicles, but the negotations were abandoned without prog-

As a result of the restructuring, however, Mr Botnar has laid the groundwork for an eventual transfer of the fran-chise back to Nissan Motor, should this be sought, while maintaining separate influence over the lion's share of the dealer network and the finance operations.

Before the division of the company, Nissan UK's property and investments in subsidiary companies were drasti-cally revalued. The audited NUK annual report does not disclose whether an outside agency was responsible for carrying out the revaluation.

Apart from paying its shareholders a \$45m cash dividend for the financial year 1987/88, a 50 per cent increase over the previous year, Nissan UK also paid its shareholders an extra dividend valued at £168.9m in the form of property, shares in subsidiaries and loan stock.

These assets were used to form AFGH, the holding company in which Union Bank of Switzerland has acquired its 71.52 per cent stake for an undisclosed sum.

A tricky trio for big oil The oil majors lived in the best of possible worlds in the first half of this year, with each of their three big earners booming together. The danger is that ail three - which are meant to offset rather than mimic each other's movements - are about to move down together. The chemical cycle has already turned, as was

Share price relative to the FT-A All-Share Index together. The chemical cycle has aiready turned, as was plainly evident in the 30 per cent fall in Shell's chemical profits in the second quarter against the first; the fat refining margins of the second quarter are being squeezed, and crude oil prices are also off the top.

> for its own economy. It acknowledges the danger that the present policy might cause business confidence to snap suddenly, but seems to view that as a risk worth running. On the question of further rises in rates it is predictably reserved but given its desire to prevent further inflationary talls in stations the changes. falls in sterling, the chances are it would feel an increase was called for if the foreign exchanges wanted it badly

1980 82 84 86 88

Even more unusual than

these synchronised cycles is the fact that the downturn in each looks an uncharacteristi-

cally muted affair. As far as the oil price goes, the likely fall of a couple of dollars is a

mere nothing by oil industry standards. In oil refining, margins may have tightened, but much of that can probably be

got back at the petrol pump. While the oil companies had trouble passing on higher prod-

uct prices to the motorist in

the second quarter, failing to pass on lower prices is going to

capacity.

If there was any disappointment in yesterday's numbers it was that BP did not increase

its dividend so as to protect its US investors. But while the

company may intend to main-

tain both sterling and dollar

payments, to do so religiously

from one quarter to the next would be giving the change-

able foreign exchange markets

rather more power than they

Interest rates are not going

to come down until inflation does, and that is not happening

quickly. The message from the Bank of England's Quarterly

Bulletin is so plain that it is going to be hard work this year starting the usual rumours

about a base rate cut for the

Tory conference. While the

Federal Reserve may see reces-

sion as a bigger danger than inflation, the British central

bank takes the opposite view

Bank of England

Smith & Nephew

pass on lower prices is going to be much easier.

The more difficult question is what happens to the chemical cycle. While the City has been tempted to write off the majors' chemical profits altogether, the line from both Shell and BP is surprisingly upbeat. While the downturn this time will not be anything like as bad as last, Shell is sticking its nack out a bit in predicting that demand will be strong enough to mop up all the new capacity. Excitement is not what Smith & Nephew is about. Its bathroom cabinet of brands like Elastoplast, Nivea and Dr White's - have a middle-aged odour, and while its shares and in the health and household category alongside Giaro, Well-come and Fison, they are scarcely likely to be enlivered by the zip of a Zantac, or a burst of bid speculation. Yet the company has great strengths; it is hard to see why, on a historic p/e of 15, its shares now lag so far behind the rest of the sector.

Of course, Smith & Nephew smudged its copy-book a little in 1988, when it ran into prob-lems of weakening demand or intensifying competition in three areas: surgical gloves, denim and supplies to the UK's National Health Service. Yesterday's 18 per cent rise in interim pre-tax profits was hardly enough to restors it fully to favour, though at 264.4m they matched the City's

The plusses are that Smith & can one fault its strategy of chiefly because of the Gold diversifying by acquisition into

higher-margin, higher-tech medical products such as the lopter lens business in the US. It has an impeccable record in assimilating its purchases: one think back to the early 1970s to find an example of a mistaken

Philips

Philips interim figures are further grim evidence of the futility of trying to be a universal electronics company in Europe, Earnings per share for the six months are up by 34 per cent, but the rise is wholly due to exceptional profits, mostly on sale of businesses. True operating profit is down 25 per cent in the latest quarter, and the return on capital has slid to a dismal 4.1 per cent. This suggests that share-

This suggests that share-holders' interests would be best served if the disposal programme were pursued to its ultimate conclusion; their return would be very much higher on cash in the bank. In a sense, the share price is already drawing that conclusion. At F14140, the shares are on a seemingly absurd multiple of 10 times this year's earnings, or perhaps 15 net of ings, or perhaps 15 net of exceptionals. But the more relevant measure is the discount to assets — around a third in book terms, and much mere in relation to market value.

Although Philips has taken steps to protect itself against takeover, this might not stand up in law against a determined hidder. Some kind of break-up would surely be the best outcome; for while the management is now belatedly realising some value through its dissome value through its disposal programme, the record suggests that it is not best qualified to spend the pro-

BTR Nylex

The 9p fall in BTR's share price yesterday in response to figures from BTR Nylex is a standards the Australian business has set itself. The 87 per cent rise in sales in the first half might be attributed to acquisitions; not so the identical rise in earnings per share. Nylex now contributes perhaps a quarter of BTR's net earnstable growth in worldwide it is time for an acquisition demand for healthcare prod-ucts such as its surgical or nally or not, a big UK or US orthopaedic equipment to deal might help the share translate into 15 per cent com-pound growth in earnings per lately risen to an uncharacter-share over the long term. Nor istic premium over BTR's,

What does Watsons say?



FINANCIAL TIMES

COMPANIES & MARKETS

Friday August 11 1989



Index funds cause jitters in Japan

increasing competition in the Japanese financial sector has encouraged the emergence of index funds, well known in the US but a new force in the Tokyo stock market. The funds track the performance of an Index such as the Nikkei 225 using computer technology. They have raised fears that this kind of "passive" buying and selling could throw trading into turmoll. But even their exponents think that old-fashioned fund management, based on analysis and experience, will never go com-pletely out of fashion. Page 38

Kentish's house of cards



Present difficulties in the housing market have burnt a few people's fingers. But Miss Fredal-inda Telfer, a 29-year-old software specialist, has been caught in higher flames than most she has paid deposits of over £10,000 (\$16,200) on two flats in the part -built Bow Quarter development in Docklands. Construction is now on hold following the collapse of Kentish Properties. One flat she is trying to sell — the second she planned to buy. Page 23

Squeaky-clean at P&G

Procter & Gamble, the big soap and detergent company, reported a sharp increase in profits for the three months to June. Having spent much of the 1980s suffering falling market shares in key brands, unit volumes increased to records in most of its US consumer divisions and in all its big overseas divisions, and the company intends to increase next year's dividend by 20 per cent. Mr John Smale, chairman of the Cincinnati company, and Mr John Pepper, president, said: "We are reasonably pleased with results of the past year. As we enter the 1990s, our objective is to build on the momentum generated within the company dur-ing the past few years." Page 19

Play stops for Borg's business



The Monte Carlo-based Bjorn Borg Design Group, which produces designer fashions and has Swedish property interests, is to close within a few months, putting its 10 employees out of jobs. Mr Borg has also said he will shut his Scandinavian company, Blom Borg Invest, and

Bjorn Borg Invest, and has promised to meet its debts from his own pocket, which is estimated mitted to the business." Page 20

TV dinners direct from the farm intense competition between the glant food retailers such as Sainsbury's and Gateway has led to them buying produce direct from farmers. The resulting relationship is at the heart of today's retail trade in fresh produce as well as in the increasingly popular field of ready-pre-pared and so-called cook-chilled foods. And though some farmers have horror stories to tell of "trickery" and "fear," others — often es - have done very well out of

Market Statistics

Base lending rates Benchmark Govt honds European options each FT-A hodicas FT-A world indices FT int bond service

London share service London traded options London trade, options Money markets New Int. bond Issues World commodity prices World stock mikt Indices UK dhidends announced

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Harris Hickso

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RWE Fergabrook Foreign & Colonial Frost Group General Shopping Saga Petroleum Showa Shell Sekiyu Smith & Nephew UAL Voivo WestLB

1958 411 1205 -287 + 578 + 402 + .16 17.5 Palls
Cab Ned 640
Heve 1075
Union Immob 810
TOKYO (Yen) 17

Chief price changes yesterday

404 + 9 424 + 10 148 + 4

Income for quarter soars 94% at Philips

By Laura Raun in Amsterdam

PHILIPS, the Dutch electronics giant, nearly doubled its earnings in the second quarter and is pondering a stock exchange flotation of part of Polygram, its music production subsidiary.

Net income soared 94 per cent to El 235m (\$10.3m) or El 4 91 per cent

to Fl 235m (\$110.3m) or Fl 0.91 a share in the April-June period, from F1 121m or F1 0.47 a share a year earlier, largely thanks to lower financing costs. Philips repeated its forecast that operatrepeated its forecast that operating income would rise in 1989 and net income from normal operations would show a "substantial improvement" over 1988.

Mr J.H. Goris, a member of Philips' group management committee, predicted yesterday that operating income would climb across the board in the second half of this year after tumbling 17 half of this year after tumbling 17 per cent in the first half.

On the Amsterdam Stock

Exchange, however, investors reacted sceptically, marking Philips down by Fl 1.20 to Fl 41.40. Never a paragon of transparency, Philips was even more opaque yesterday when it omitted figures on finance charges and non-consolidated earnings in its press release because there was "too little prom" little room." Mr Goris did disclose that a

minority stake in Polygram might be sold to the public this year. He said a final decision would depend on the stock mar-ket and on Polygram, which is digesting its recent acquisition of Island Records, a big independent record company.

Securities analysis expect 10-20 per cent of Polygram to be spun off, including the 10 per cent

in consumer electronics, he hands, fetching upwards of Fi 500m. Between Fl 150m-200m will end up as a book profit, according to one analyst.

The proceeds are needed to The proceeds are needed to help finance the purchase of Island Records, which is believed to have cost around £200m (\$324m). Two years ago Philips amounced plans to publicly sell 20 per cent of Polygram and list it on the US Nasdaq over-the-counter market, but the flotation was scuppered by the 1987 stock market crash. In the second quarter, operat-

In the second quarter, operating income dropped 25 per cent to F1 513m from F1 680m due in part to professional electronic products, where minicomputer sales margins were squeezed and restructuring provisions were taken in medical systems. Electronic components, where sales prices were under pressure, were

Offsetting the sharp fall was a drop of 36 per cent in finance charges and a "net positive effect" from new calculations of the gearing ratio and tax rate in hyperinflationary countries. Mr H.H. Appelo, a group manage-ment committee member, revealed that finance costs fell to Fl 232m in the second quarter from Fl 507m in the year-earlier

Revenue edged up 4 per cent to Fl 13.55bn in the second quarter from Fl 13bn in the year-earlier period on across-the-board increases. But professional prod-ucts lagged behind the companywide average growth because of declining sales in defence

period.

systems.

Mr Goris confirmed that negotiations are continuing on the sale of Philips' defence activities but he vehemently refused to be drawn on the matter. Hollandse

By Enrique Tessieri in Helsinki

WARTSILA, the big Finnish

industrial group, is to relinquish control of its Wartsilä Marine shipbuilding subsidiary, one of Europe's largest privately-owned shipbuilding businesses, as part of a tentative agreement with

the Finnish Government to save the loss-plagued division from

bankruptcy.

After almost two weeks of

negotiations, the Government and Wārtsilā agreed late on Wednesday on a financing package that will ensure the delivery of all 60 vessels ordered until 1991 and secure about 6,500 jobs.

Mr Ilkka Suominen, Trade and Industry Minister, said: "This

acute first aid measure was nec-

essary to save the company from

bankruptcy and to restore inter-national confidence in Finland's

wartsila has pledged "within the following weeks" to reduce its 70 per cent stake in the divi-

sion to 19 per cent by selling its shares to "outside Finnish pas-sive investors." Wärtsilä will

incur a FM1bn (\$234m) loss on its investment in the division, which became operational in

The company did not disclose who these investors are, but there is widespread speculation

that this could mean one of the institutions that is temporarily helping to keep the shipbuilding company affoat.

These are Finland's Export Guarantee Board and State

Guarantee Board, which will carry a 50 per cent responsibility for financing the company, and

Union Bank of Finland (UBF)

Signaal Apparaten (HSA) is likely to be sold for around Fi 1.5bn to Thompson of France, which is willing to pay for the company's know-how even though it is in the red, say analysts.

Philips could book an extraordinary gain of Fl 250m on the HSA disposal, one analyst estimated, adding that another "several hundred million guilders;" could be made on the sale of a US defence subsidiary. The Swedish defence unit was divested in the second quarter, generating a

FI 38m extraordinary gain.

Also Philips is expected to book an extraordinary gain of up to FI 400m on the recent sale of office space in Paris, although Mr Appelo refused to disclose a fig-

In the first half of 1989, net income jumped 36 per cent to FI 458m from FI 338m in the like

and Postipankki with 25 per cent in total. Wärtsilä and Valmet,

the state company which owns 30 per cent of Wärtsilä Marine, will collectively have responsibility for the remaining 25 per

Although the Government and Wärtsilä officials are careful not to mention any word about sub-

sidies, the agreement is inter-

preted by analysis as a major shift in state policy.

"This is not a subsidy," said Mr Pekka Laine, Wärtsilä's pres-ident and chief executive, "but a transitional rescue operation."

Mr Laine blamed "external" factors such as EC subsidies for the company's acute financial

Other factors include the lack

of any new ship orders from the USSR in three years, rising infla-tion, labour shortages and the revaluation of the Finnish markka last March.

Beset by these problems, many analysts believed that it was only a question of time before

the company would turn to the Government for help. Wartsila Marine will form a

be made up of four Government members from the FGB and SGB;

UBF, Postipankki, Wärtsilä and

Valmet will be each represented by one member. The new chair-

man of the board will be a Gov-

ernment representative. Wärtsilä officials were quick

to emphasise that there is a

bright future ahead for the com-pany's remaining businesses in

diesel engines, sanitary ware and

security divisions.

State takes control of

Wärtsilä Marine in

plan to avoid closure

BP lifted by firm oil prices By Max Wilkinson,

Shell and

A FIRMER trend in world crude oil prices and a stronger dollar, oil prices and a stronger dollar, with an unexpectedly buoyant market for petroleum products, helped to lift the second quarter profits of the two biggest European oil companies — Shell and British Petroleum.

Yesterday both announced large rises in after-tax profits as conventionally measured on an

conventionally measured, on an historic cost of supplies basis. However, these included a large element of profit attributable to stockholdings, resulting from the increased cost of oil in sterling terms.
On a replacement cost basis,

which excludes these gains and which the industry itself regards as a better guide to underlying performance, BP showed a relatively modest gain of 14 per cent in the second quarter, compared with the same paried in 1098. Its with the same period in 1988. Its after-tax profit on this basis was £371m (\$601m) for the period.

Shell benefited more from the underlying improvement in trad-ing conditions, with a 38 per cent improvement in the quarcent improvement in the quarter's profit on a current cost of supplies basis (roughly, but not exactly the same as, replacement cost). If the stockholding gains are included, Shell's profit for the quarter rose to just over £1bn, 58 per cent higher than for the same period a year earlier. the same period a year earlier. BP's historic cost results for the quarter show a more modest

34 per cent rise to £477m. BP's results, however, exclude the one-off benefit of the sale of its minerals business to RTZ. Shell, on the other hand, has benefited in its profit line from the general improvement in the minerals business. BP's explora-

minerals business. BP's explora-tion and production profits were also reduced by the sale of some of its interests in the Magnus and Ninian North Sea fields. This is part of the continuing pro-gramme of disposing of assets that it believes may be of more

value to other companies.

Its crude production has shown a slight decline compared with a 4 per cent rise for Shell, whose lost production in the North Sea was more than outfrom Nigeria, Colombia, Syria, Gabon and Denmark.

For both companies, the recent period of spectacular increases in profits from chemicals, which helped the integrated oil compa-nies through a difficult period, appears to have come to an end, though the results remained good. Shell reported a £267m profit from the sector, which was £22m more than in the second quarter of 1988.

Restructuring efforts are starting to bear fruit, particularly stake in institutional investors' Goldberg says trading problems will continue

By Nikki Talt

THE BID defence by A. Goldberg against a hostile £35.7m (\$57.6m) bid from Blacks Leisure, was dealt a serious blow yesterday as the Glasgow-based fashion retailer warned that its trading problems were continuing in the current year and said it would not be able to make a forecast. Goldberg announced a couple of months ago that it had slumped to a £2.92m loss in the year to March 25 — compared with a £3.23m profit in the previous year — and cut the final dividend by the coupled property if dend. In the annual report, it warned that difficult market con-ditions were persisting but suggested that there could be an improvement in the second half. But yesterday Goldberg was obliged to announce that "sales

be aware that the company is continuing to trade at a substan-tial loss."

It added that the scale of these losses meant that "the board believes that, even though it is not possible to predict the extent to which trading conditions may improve during the remaining eight months of the current year, market expectations of the likely outcome for the year will prove over-optimistic."

Analysts' forecasts have ranged between a small profit and a loss of up to perhaps 2500,000 in 1989-90. The Goldberg statement is understood to imply that a loss for the full year is now expected. The company

have continued to fall short of added that "given that future targets and shareholders should" results will be highly sensitive to changes in sales volume and mar-gins" it will not be practicable to make a profits forecast.

Although the announcement clearly removes a substantial plank from the defence, Mr Mark Goldberg said the company's atti-tude to Blacks' bid had not changed. It was the form of the bid - an all-share offer - which the group took exception to, rather than the industrial logic. Blacks said the announcement proved the need for additional

management at Goldberg. Its advisers added that the intention was still to progress with the offer, but that Goldberg's formal defence document would be scanned carefully.

Stema Share of hid-\$300m

Sea Containers Operations and assets. If the \$824m bid succeeds?

180,000 special containers 100,000 basic dry cargo containers 7,000 chassis 15 cranes

Container manufacturing facilities About 200 container repair &. enance depots, mostly owned by third parties Freight forwarding of liquids

Two roll-on, roll-off treight ferries for conversion to jumbo ferries' 31 Sealink British Ferries shipe & catamarans 5 Hoverspeed British Ferries hovercraft one cruise ferry on Venice-Istanbul route

26 ferry routes 7 ports Stranraer, Heysham, Holyhead, Fishguard, Newhaven Folkestone and Harwich

nstallations (eg pierheads) at 4 other ports 12% stake in Isle of Man Steam Packet Company 11 container ships Shio management & naval architecture business

42% stake in Orient-Express Hotels Inc. Which owns & mar Venice Simpion-Orient-Express trains Hotels, including Cipriani (Venice), Windermere Island Bahamas), Vail Ranch Leisure Complex (Colorado) Windermere Steamship Company

Sherwood puts his faith in the value of his cargo

Andrew Hill on moves in the bid for Sea Containers

t has taken nearly three months, but on Wednesday Mr James Sherwood finally pinned his colours to the Sea Containers mast. That, at least, was how it appeared.

The president of the Bermudaregistered group revealed he was betting on the sale of assets and a distribution to shareholders as the most effective defence against the long-running hostile hid from Stena, the Swedish ferry operator, and Tiphook, a UK container rental company.

But although he has now ruled out alternative rescue proposals, such as a "white knight" count-er-bid or a leveraged buy-out, Mr Sherwood's comments have again raised more questions than they

have answered.

How much is an empty, six-sided, 20 ft-long cargo container actually worth? How much would a buyer pay for a ship to carry such boxes? Or for the right to operate a ferry between Harwich and Hook of Holland? Most importantly, how will Mr Sherwood realise his target of between \$70 and \$100 a share for investors, topping the Stena/Ti-phook cash offer of \$50 a share?

He has earmarked three parts of the group for possible sale: 100,000 dry cargo containers —
the basic 20-it boxes used for carrying any sort of unrefrigerated cargo from wheat to electrical goods;

• 11 container ships; and • a ferry route - probably the Harwich-Hook service, operated by Sea Containers' subsidiary, Sealink British Ferries. Sea Containers may also dis-

pose of its 42 per cent stake in Orient-Express Hotels. An inter-

national hotel group would

undoubtedly be prepared to pay a

substantial premium to own and operate the famous train and lux-ury hotels, such as the Cipriani in Venice. But Mr Sherwood says the hotel interests would be sold to "an Italian company" in which he would probably have an inter-

Mr Sherwood once said that he would never sell Sea Containers to Stena and Tiphook — on the basis that they would replace middle management — but he is not ruling them out as potential

buyers of these assets.

Indeed, Stena and Tiphook have already discussed the possibility with Sea Containers. Furthermore, Mr Sherwood believes Stena may be prepared to pay a premium for the Harwich-Hook ferry route because the Swedish company already owns Sealink's partner on the service.

If Stena turns down the route he says Sea Containers could sell another crossing to Stena or other buyers. Apart from the cross-Channel routes, which Sea-link would probably want to retain, the group operates ferries between the mainland and Isle of Wight and between the UK and Ireland. Neither of the joint pred-

ators would comment yesterday. In Mr Sherwood's favour is the fact that the market in rental containers is very tight. Sea Con-tainers will keep its higher-value special containers. No frills boxes

such as the group wants to sell cost about \$2,600 each new, and the price is still rising. Back-of-envelope calculations by UK analysts suggest a price of between \$1,000 and \$1,500 for each of the second-hand units in the Bermuda group's fleet, including a premium for their good strategic location on both seaboards of the US. Sea Contain-

ers' principal competitors in the field - such as Itel, Transamerica and Genstar, as well as Tiphook - are already circling, in the hope of increasing their market share.

Adding some \$150m for the container ships to the possible proceeds of the container sale and an estimated \$10m for the Harwich-Hook ferry route suggests the programme might raise up to \$19 a share for distribution

A lot may then hinge on US investors' confidence in the value of the residual businesses which would make up the second part of the recapitalisation pack-

If Stenz were to sell its 7.1 per cent stake in Sea Containers, as threatened, the market price might drop below the \$50 bid price, leaving Mr Sherwood struggling to make his \$70-a-share recapitalisation target. US arbitrageurs, thought to

hold some 15 per cent of Sea Containers, are worried that Mr Sherwood may activate the recapital-isation plan only if the Stena/ Tiphook bid looks like succeeding. So far, he has made no promises and investors are unconvinced by Mr Sherwood's comments to the press. Shareholders would vote on

any recapitalisation programme

at the Sea Containers annual general meeting in New York, which is unlikely to take place until mid-September at the earliest - after resolution of a long running Bermudan legal action brought by Stena and Tiphook. For nervous investors who have held a stake in Sea Containers since Stena first declared its stake in March it looks like being

How would you feel if there were 50,000 people between you

There's been an astonishing stampede among the "Big 8" accountancy firms in recent months.

and the top?

But do these "mega mergers" best serve the interest of clients? And how satisfying are they to work within? Remoteness seems inevitable.

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GOLD FIELDS PROPERTY COMPANY LIMITED

(Incorporated in the Republic of South Africa) (Registration No 01/01078/06)

INTERIM REPORT

	CONSOLIDATED INCOME STATEMENT	"Six months ended 30 June 1989	*Six months ended 30 June 1988	Year ended 31 December 1988
	TURNOVER	R'000 13,383	R'000 7,242	R'000 17,576
	REVENUE			1
	Income from rent and sale of property	4,841	3,389	7,497
	investments and mining title Interest earned, gold royalties	4,712	639	613
	and income from other sources. Income from investments	1,287	1,529	3,676
1	income from investments	529 11,369	6.000	980 12,766
	EXPENDITURE	1.642	1,224	2,641
ı	Administration assessed and			,
	Administration, property and general	1,628 14	1,217	2,589 52
1	PROFIT BEFORE TAX	9,727	4,776	10,125
	PROFIT AFTER TAX	1,656 8,071	2,151 2,625	6,374
	Earnings per share - cents	79	26	62
ĺ	Dividends - per share - cents absorbing - R'000.	18 1,840	16 1,636	36 3,631
ĺ	- times covered	4.4	1.6	1.7
ı	*Unaudited			
Į	CONSOLIDATED BALANCE SHEET	*At 30 June	*At 30 June	At 31 December
- 1				1988
		1989	1988	
	Fixed Assets	1989 R'000 38,156	R'000 32,395	R'000 36,454
	Fixed Assets	R'000 38,156 3,097	R'000 32,395 3,600	R'000 36,454 3,663
		R'000 38,156	R'000 32,395	R'000 36,454 3,663 14,839
	Investments Land and township development Net current assets	R'000 38,156 3,097 15,640 (555)	R'000 32,395 3,600 12,444 (2,986)	R'000 36,454 3,663 14,839 (4,800)
	Investments Land and township development	R'000 38,156 3,097 15,640	R'000 32,395 3,600 12,444	R'000 36,454 3,663 14,839
	Investments	R*000 38,156 3,097 15,640 (555)	R'000 32,395 3,600 12,444 (2,986)	R'000 36,454 3,663 14,839 (4,800)
	Investments	R*000 38,156 3,097 15,640 (555) 4,382 4,947 56,338	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453	R*000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156
	Investments	R*000 38,156 3,097 15,640 (555) 4,382 4,947 56,338 256 46,353	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402	R*000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 256 40,122
	Investments	8,156 38,156 3,097 15,640 (555) 4,392 4,947 56,338 256 46,363 46,609 9,729	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658 6,795	R'000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 40,122 40,378 9,778
	Investments Land and township development Net current assets Current assets Less current liabilities Share capital Reserves Deferred liabilities and provisions	8:000 38,156 3,097 15,640 (555) 4,382 4,947 56,338 256 46,353 46,609	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658	R'000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 256 40,122 40,378
	Investments Land and township development Net current assets Current assets Less current liabilities Share capital Reserves Deferred liabilities and provisions INVESTMENTS	8,156 38,156 3,097 15,640 (555) 4,392 4,947 56,338 256 46,353 46,609 9,729 56,338	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658 6,795 45,453	8,000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 40,122 40,378 9,778 50,156
	Investments Land and township development Net current assets Current assets Less current liabilities Share capital Reserves Deferred liabilities and provisions INVESTMENTS Listed — Market value — Excess over book value	8,156 38,156 3,097 15,640 (555) 4,382 4,947 56,338 256 46,353 46,609 9,729 56,338	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658 6,795 45,453 15,141 12,143	8,7000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 256 40,122 40,378 9,778 50,156 15,133 12,178
	Investments Land and township development Net current assets Current assets Less current liabilities Share capital Reserves Deferred liabilities and provisions INVESTMENTS Listed — Market value — Excess over book value — Book value	8,156 38,156 3,097 15,640 (555) 4,382 4,947 56,338 256 46,353 46,609 9,729 56,338 12,789 10,522 2,267	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658 6,795 45,453 15,141 12,143 2,998	R*000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 256 40,122 40,378 9,778 50,156 15,133 12,178 2,965
	Investments Land and township development Net current assets Current assets Less current liabilities Share capital Reserves Deferred liabilities and provisions INVESTMENTS Listed — Market value — Excess over book value — Book value Unlisted — Book value Number of shares in issue	8,156 38,156 3,097 15,640 (555) 4,382 4,947 56,338 256 46,353 46,609 9,729 56,338	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658 6,795 45,453 15,141 12,143	8,7000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 256 40,122 40,378 9,778 50,156 15,133 12,178
	Investments Land and township development Net current assets Current assets Less current liabilities Share capital Reserves Deferred liabilities and provisions INVESTMENTS Listed — Market value — Excess over book value — Book value Unlisted — Book value.	8,156 3,097 15,640 (555) 4,382 4,947 56,338 256 46,363 46,609 9,729 56,338 12,789 10,522 2,267 830	R'000 32,395 3,600 12,444 (2,986) 1,409 4,395 45,453 256 38,402 38,658 6,795 45,453 15,141 12,143 2,998 602	R'000 36,454 3,663 14,839 (4,800) 1,653 6,453 50,156 256 40,122 40,378 9,778 50,156 15,133 12,178 2,955 708

NOTES
Dividend The final dividend No 132 of 20 cents per share in respect of the year ended 31 December 1988 absorbing R2,044,870 was declared on 11 January 1989 and paid on 1 March 1989.

Prospects At Luipaardsviei the tonnage has been reduced and the yield substantially increased, resulting in mining operations becoming profitable again. Consequently royalty payments will be resumed during the rest of the year. The new Randburg office will be fully let from the middle of October 1989, otherwise all other remnerty is well let. property is well let.
A small factory has been purchased in Wadeville.

DECLARATION OF INTERIM DIVIDEND

Dividend No 133 of 18 cents per share has been declared in South African currency, payable to members registered at the close of business on 25 August 1989. Warrants payable on 27 September 1989 will be posted on or about 26

Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 25 August 1989 in accordance with the above-mentioned conditions. The register of members will be closed from 26 August to 1 September 1989 inclusive.

On behalf of the Board

Registered and Head Office Gold Fields Building 75 Fox Street, Johannesburg 2001

B.R. van Rooyen } Directors

London SW1P 1PL

London Office: 31 Charles II St. St. James's Square London SW1Y 4AG United Kingdom Registrar Barclays Registrars Limited (formerly Hill Samuel Registrars

8 August 1989

A MEMBER OF THE COLD FIELDS GROUP

INTERNATIONAL COMPANIES AND FINANCE

UAL board prepared to 'explore' bid alternatives

By Anatole Kaletsky in New York

SHARES of UAL, the holding shot up again in heavy trading on Wall Street yesterday morn-ing after Wednesday's latenight announcement that the company's board was willing to "explore all possible finan-cial and strategic alternatives" in response to the \$5.4bn take-over bid it had received from

Mr Marvin Davis.

The company also revealed for the first time the details of Mr Davis' proposal. The offer was worth \$240 a share in an unspecified combination of cash and new equity in the

UAL's statement specifically did not exclude the possibility of negotiating a sale or a friendly deal with Mr Davis. The California oil, property and entertainment magnate reacted warmly to the direc-

"We are encouraged and look forward to meeting with the company and its representatives as soon as possible," he

said. On Wall Street, however, Mr Davis was not necessarily seen as the front-runner in what could turn out to be a large field of candidates for the acquisition of UAL. And although his offer price of \$240 a share was 50 per cent above UAL's value a week ago, it was seen by many analysts as clearly below an acceptable "take-out level."

As a result UAL's share price advanced yesterday by another \$8% to \$252% after jumping by almost \$25 the day before. Estimates of what the company might ultimately fetch in a leveraged takeover or management buy-out ranged as high as \$300 or even \$350 a

The other groups who are believed to be interested in buying United Airlines — the second largest domestic air carrier in the US and which has an extremely valuable

trans-Pacific franchise include Kohlberg Kravis Roberts, the big New York leveraged buy-out group, and Pan American World Airways, the struggling trans-Atlantic air-

In accordance with its past practice, KKR would probably put itself forward as a potential partner in a buy-out led by Mr Stephen Wolf, UAL's own chairman, who is believed to be interested in a management

buy-out.
This time, however, there could be several other competi-tors, including Mr Davis and his partners, proposing to arrange and finance a friendly management-led deal. A key role in the UAL take-

over is likely to be played by the pilots' and mechanics' unions, as it was on the buyout of Northwest Airlines earlier this year. Their co-opera-tion could be essential for the financing of any leveraged

Hongkong Hotels disappoints

Hong Kong hotel operations, where the group owns the pres-tige Peninsula and the Kow-

loon Hotel, were up 21.4 per cent to HK\$164.7m.

The second half could be

more difficult because of an

expected slowdown in growth in tourism after the crisis in

China, as well as competition from a number of new hotels.

However, Mr Hanmer Webb-Pe-

ploe, Hongkong Hotels manag-

ing director, said that both the group's hotels in the colony

were currently performing

Mr Webb-Peploe said that

delays in completion of retail facilities and a health spa in the New York property had

made its performance worse

By Michael Marray in Hong Kong

HONGKONG and Shanghai Hotels, the luxury hotel opera-tor controlled by the Kadoorie family which last year fought off a takeover bid from Mr Lo Yuk Sul's Cathay City group, has turned in a disappointing set of results for the first half of 1989, with net profits falling 4.5 per cent to HK\$136.8m

Substantial losses on the New York Peninsula, formerly Maxim's de Paris, which was acquired for US\$127m last August, were responsible for the earnings fall, with the hotel losing about HK\$100m in operating costs and finance

charges.

Hongkong Hotels' net profit
would have been even lower had it not been for a sum of HK\$40.2m written back to profit after a provision of HK\$48.2m was made in the

Charge pushes

Harris into

\$52m loss

operations.

By Our Financial Staff

telecommunications and defence equipment supplier, is in talks to sell its data commu-

nications and office systems

businesses, taking a hefty \$86.8m write-off on the planned

than expected, adding: "You don't enter one of the toughest 1988 accounts relating to a local staff retirement scheme. Turnover rose 28.6 per cent markets in the world and to HK\$871.9m. Profits for the

expect a bonanza overnight."

The company said in a statement that the second-half results were unlikely to be materially different from the first half. According to Mr Webb-Peploe the group would press on with expansion in Hong Kong and overseas.

Hongkong Hotels, which also has interests in residential property and the recently modernised Hong Kong Peak tram, is now more than 60 per cent held by the Kadoorie family after making a cash offer to shareholders while fending off last year's challenge from Cafhay City.

A dividend of 6 cents per share has been declared, the same as for the first half of

Interest expenses force McCaw deeper into red

By Anatole Kaletsky

McCAW Cellular Communications, the small Washington state cellular telephone company which is making a \$6bn bid for LIN Broadcasting, announced a net loss of \$87.5m in the second quarter, sharply higher than the However, the company's rev-

disposal which pulled the group into the red in its latest quarter. enues expanded by 64 per cent to \$120.1m, maintaining the rapid growth rate the company The net loss for the final three months to June was \$52m compared with a profit has recorded since early 1987, when it began its aggressive acquisition of cellular franpreviously of \$1.8m. In the 1988 quarter an \$11m charge was made on discontinued chises all over the US. McCaw's result for the first

six months of 1989 showed a net loss of \$185.2m, compared For the whole year, after a \$94.8m write-off, Harris showed profits of \$21.8m, down from \$100.5m the year before when with a loss of \$123.1m the year before. Its revenues grew by 57 per cent to \$222.2m.

The company said the increase in its net loss for 1989 an accounting change brought a \$35.1m gain. Sales were strongly ahead at was primarily due to high interest expenses as a result of \$768.3m for the fourth quarter against \$471.8m, and \$2.25bn for the year, up from \$1.84bn. additional debts taken on at the end of the 1988 second

quarter. McCaw also blamed higher depreciation and amor-tisation costs associated with the acquisition and operation

of its cellular systems.

Because the use of cellular telephones is still extremely underdeveloped in the US, no company is expe any profits in this business in the near future and analysts tend to regard quarterly results as irrelevant.

Wall Street has concentrated instead on the potential profits which cellular groups might make in the distant future and have therefore valued the companies on the basis of the populations in their franchise areas. Under US law all cellular franchises involve two competitors.

In February McCaw sold a 22 per cent equity stake in the company to British Telecom for \$1.5bn, providing it with new capital to finance further acquisitions.

Sigoloff retained by Hooker liquidators

By Chris Sherwell in Sydney

MR SANFORD SIGOLOFF, the corporate rescue specialist who turned round the Daylin and Wickes retail operations in the US, has been retained by the provisional liquidators of Australia's Hooker Corporation to try to rehabilitate its key US stores interests.

The move was announced after B. Altman and Bonwit Teller, Hooker's two Fifth Aveane retail groups, joined L.J. Hooker, the group's US hold-ing company, in filing petitions for protection under Chapter 11 of the US Bank-ruptcy Code. Mr Richard Grellman, one of

two Peat Marwick Hungerfords partners appointed as provisional liquidators earlier this mouth, said the compa-nies acted "because they were unable to reach a satisfactory agreement with [Hooker's] private lenders on a financing plan to restructure its unse-

Cured debt."

He said a review of the operational and financial problems of the US Hooker subsidiaries, which have debts of US\$1.2bn, had raised "serious questious" about their long-term ability to survive within the framework of their present operating conditions."

The Chapter 11 filing does

The Chapter 11 filing does not include Hooker's Houstonbased Sakowitz Department Stores, Merksamer Jewellers of California or the Parisian bama. Certain development and brokerage companies are also excluded, among them Retail Projects of Cincinnati and Retail Projects of South Carolina. For the groups specified in the filing it will provide protection against creditor and other lawsuits, and give them time to work out a plan for restructuring and repaying their debts.

their debts.

The liquidators' swift move to retain 58-year-old Mr Sigoloff, a mercurial rescue specialist who has been dubbed "Ming the Merciless," will give some comfort to creditors and others anxiously hoping to extract something from Hooker's collapse. But it will be some time before the full impact of the expansion into the US undertaken by Mr George Herscu, the Australian entrepreneur who was chair-man and controlling shareholder of Hooker, is known.

Mr Sigoloff, a scientist by
training, began in the mid1970s by taking Daylin, a
womenswear and household
goods retailer, out of Chapter 11. In 1982 he arrived at the diversified but struggling Wickes, put it into Chapter 11 in order to strip it back to its core home improvement and automotive products businesses, and then brought it back to profit and out of court

protection within three years.

LTV interim returns to black despite second-quarter slide

LTV, one of the big three US steelmakers, emerged in the black in the first half to June but took a dent in the second quarter from what it described

quarter from what it described as a disappointing loss by its aircraft products division.

Separately, Cyprus Minerals, the resources group, said it had agreed to a \$505m settlement for claims it filed against LTV. These were subject to approval by the bankruptcy courts, under whose protection LTV has been operating for the last has been operating for the last three years.

LTV made no immediate

response to the statement from Cyprus, which said the claims related to coal supply con-tracts, adding that the actual amount it would receive would depend on approval for the steehnaker's reorganisation

With 1988 results restated for an accounting change, LTV's interim net profits emerged at \$106.9m compared with a loss of \$2.01bn last year, when a

charge was taken.

Sales were down at \$3.28bn against \$3.94bn, reflecting the disposal of some ateel

In the second quarter alone, earnings were \$30.3m, a quar-ter of the previous \$123.9m, on revenues of \$1.66bn against

Among sundry write-offs stemming from its continued financial straits LTV took a pre-tax debit of \$50m in the quarter and \$75m in the half from estimated cost increases in aircraft development pro-grammes. These included work for the Hoeing 747 and YA-7F. LTV said there was also a \$30m special charge relating to the aircraft group's flexible composites centre which resulted from costs incurred before construction of the facility was balted early this year.

Contributing to the lower profits was a \$43.7m decrease in steel operating income resulting principally from the downsizing of these operations.

LTV said its steel familities now focused on flat-rolled and tubular products - were operating at 90 per cent of capacity. Higher costs and lower volumes were partially offset by improved selling prices, but new orders were now falling.

Showa Shell Sekiyu falls as import costs escalate

SHOWA SHELL Sekiyn, the Japanese oil refining and dis-tribution affiliate of Royal Dutch/Shell, yesterday reported a 60.4 per cent fall in pre-tax profit to Y5.61bn (\$40.8m) in the first half after a significant increase in import costs caused by the yea's depreciation earlier this year.

Net profit for the period was Y4.78bn, down from Y8.16bn, although sales rose 4.1 per cent. to Y630.7bn on strong demand for petrol and heavy oils. Sales of vehicle fuels rose I per cent to Y280.6bm.

The company is redesigning domestic filling stations in an attempt to cut costs.

streamlining of operations and diversification, including interests in property and car rental, the company expects that fluc-tuations in oil prices and currency values will remain a serious problem.
An official said that "we

can't get the impact of the higher costs transferred into product prices.

The company forecast that pre-tax earnings for the full year would be about Y13bn.
down from Y28.83bn in 1998
and well below an earlier estimate of Y25hn. Net profit are
expected to be about Y3bn,
down from Y10.69bn, and sales ttempt to cut costs. are likely to be Y1,300hn, up In spite of a significant from Y1,231bn.

Yokohama Rubber ahead

By ian Rodger in Tokyo

PRE-TAX profits of Yokohama Rubber, one of Japan's leading 64 per cent to Y37.2bn. The tyre and rubber products company said sales of indus-groups, rose 13 per cent to trial goods advanced 2.5 per Youn (\$43m) in the six months cent, with demand for to June on sales up 6 per cent conveyor belts, high-pressure to June on sales up 6 per cent

The company said sales of tyres, accounting for 70 per cent of total sales, rose 6.8 per cent. Sales of tyres for new cars were flat because of the rise of imports, but replacement tyre sales were strong. Exports, especially to North America, were buoyant.

Sales of other products rose isfactory. Sales of aircraft parts climbed 17.2 per cent.

Net income was Y2.9bn compared with Y2.8bn in the first half of last year. The company is forecasting a profit of Y1.8bn for the full year, compared with Y11.7bn.

TO HOLDERS OF

INTERFIRST TEXAS FINANCE, NV.

Guaranteed Floating Rate Notes Due May 1989 (Unconditionally guaranteed as to payment of principal and interest by IFRB Corporation, successor to InterFirst Corporation) CUSIP No. 458924 AA 5

Morgan Guaranty Trust Company of New York, as Trustee ("Frustee") under the Indenture dated as of May 10, 1984 as supplemented ("Indenture") between InterFirst Texas Finance, N.V. ("Issuer"), InterFirst Corporation (predecessor to IFRB Corporation as Guarantor) and the Trustee, providing for the above described Notes ("Notes"), advises you that the Issuer filed for protection under the United States Bankruptcy Code on July 28, 1989 in the United States Bankruptcy Court for the Northern District of Iexas, Dallas Division, In Re 389-34612-SAF-11. The United States Trustee appointed under United States bankruptcy procedures will select creditors of the Issuer, which, in this case, are holders of Notes, for purposes of forming the official Creditors Committee. The United States Trustee has asked that as Trustee for the holders of Notes we request all holders to identify themselves for purposes of possible representation on the Creditors Committee. Not all holders will be appointed to the Creditors Committee but your notifying the United States Trustee will assist him in his selection of committee members. The United States Trustee may be addressed at the following address and will accept requests for representation, in writing or by facsimile copy, by identifying yourself as a holder and requesting appointment to the Committee.

Mr. George McElreath Office of the United States Trustee United States Department of Justice 1100 Commerce Street, Room 9C60 Dallas, Texas 75242 Fax Telephone No.: 214-767-8971

The Issuer is a wholly owned subsidiary of IFRB Corporation ("IFRB") which, in turn, is a wholly owned subsidiary of First RepublicBank Corporation ("FRBC"). Each of IFRB and FRBC were filed for bankruptcy in the above mentioned Court on July 30, 1988. The Trustee is a member of the Creditors Committee formed under the IFRB bankruptcy proceedings and has requested appointment to the Issuer's Creditors Committee. The Trustee filed a Proof of Claim in the IFRB proceedings on November 17, 1988 for the whole amount of principal and interest owing and unpaid in respect of the Notes. That Proof of Claim is intended to preserve the claim of holders of Notes and evidence the Trustee's right to collect and receive monies or other property payable or deliverable on the claim and to distribute the same to the holders of Notes. Presentation of the Notes will be necessary to evidence ownership and receive distribution, if any, resulting from the bankruptcy proceedings.

Notes will be necessary to evidence ownership and receive distribution, if any, resulting from the bankruptcy proceedings.

On December 3, 1988 the Trustee filed a complaint in the United States District Court for the Southern District of New York against the Issuer. The Complaint identifies that on August 1, 1988 the Trustee made a declaration of acceleration of the Notes and that the full principal of the Notes was immediately due and psyable, thereby demanding payment thereof.

The Trustee anticipates calling a meeting of all holders of Notes under the provisions and requirements of the Notes and the Indenture in the second week of September 1989. The meeting will be conducted in New York for the purpose of providing all holders with details of our actions mentioned above, status of the IFRB bankruptcy, approximate value of the estate of IFRB, which has essentially been liquidated, standing of various litigation matters and to obtain holders' direction on these matters and other matters relating specifically to the Issuer, its assets and the Notes. Further details as to date, time, location and procedures necessarily evidence ownership of Notes and entitlement to attend and rote at the meeting will be communicated in the near future. If you have not previously identified yourself to the Trustee, please contact us at the following address:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee

Corporate Trust Administration 30 West Broadway, New York, NY 10015 Attention: Mr. Patrick J. Crowley, Vice President (212) 587-6027 Fax (212) 693-0534

Dated: August 10, 1989

Floating Rate Notes Due 1993 In accordance with the provisions of the Notes notice is hereby

U.S. \$30,000,000

Banco Latinoamericano de Exportaciones, S.A.

Floating Rate Notes due 1994

Citicorp International Ltd. has arranged the placement of these notes

July 1989

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COMMERZBANK OVERSEAS FINANCE N.V. U.S.\$ 100,000,000

given that for the three months period from August 9, 1989 to No-vember 9, 1989 the Notes will carry an interest rate of 8%% per annum with a coupon amount of U.S.\$ 225.21 on U.S.\$ 10,000.— and U.S.\$ 5,630.21 on U.S.\$ 250,000.—.

Frankfurt/Main, August 1989 COMMERZBANK

ALLIANCE -- LEICESTER Alliance & Leicester Building Society

£50,000,000 Subordinated Floating Rate Notes due 2004 or the three months 7th August, 1989 to 7th November, 1989, the Notes will carry an interest rate of 14.23% per annum with an interest amount of £358.67 per £10,000 and £3,586.74 per £100,000 Bond,

Listed on the Luxembourg Stock Exchange.

Bankers Trust Company, London

YORKSHIRE

BUILDING SOCIETY £100,000,000 Floating Rate Notes due 1994

rdance with the terms and conitions of the Notes, notice is hereby given that for the three months Interest Period from (and including) 10th August, 1989 to (but excluding) 10th November, 1989, the Notes will carry a rate of interest of 13,9125 per ent, per annum. The relevant interes ayment Date will be 10th November

£50,000 Note will be £1,753.26.

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The Financial Times proposes to publish 5 SEPTEMBER 1989 For a full editorial synopsis and vertisement details, picase conta-

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INTERNATIONAL COMPANIES AND FINANCE

Volvo Trucks in talks over pact with **Enasa and Renault**

By Robert Taylor in Stockholm

VOLVO TRUCKS, the world's second biggest global manufacture acquisition or collaborative turer of heavy trucks, is hold-ing talks which may lead to co-operation agreements this autumn with Enasa, the stateowned Spanish truck company, and Renault Vehicules Indus-trielles (RVI), the French truck subsidiary of the state-owned Renault group.

if the talks prove successful, the outcome could be the creation of the world's largest heavy truck business. This would also solve Volvo's prob-

lem of excess capacity.

Mr Pehr Gyllenhammar,
Volvo's chief executive,
stressed at this year's shareholders' meeting in April that
the company intended to deal
with its lack of truck production capacity as soon as possi-ble, both in western European and North American markets. He said that Volvo was entering a "new phase of growth with new ambitions" and added that he believed the company "could be twice as big by 1985."

Over recent months the company has been exploring various options with other Euro-

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agreements. The present negotiations with Enasa and RVI are being conducted separately. A company spokesman said yesterday it was too soon to say whether they would be

According to an article in a Gothenburg newspaper yester-day, Renault is laying down stiff conditions for any deal with Volvo, which would involve losing control of its RVI operations, including Mack, its US subsidiary. Renault wants to see closer

co-operation between the car divisions of the two companies. At the moment Volvo and Renault, along with Pengeot, are working together on the manu-facture of a six-cylinder motor for the Volvo 440. Moreover, earlier this decade Renault owned 15 per cent of the shares in Volvo cars, which were sold when Renault's finances wors-

ened.
But Volvo is believed to be less than enthusiastic about Renault's intentions. It believes that any close collabo-ration on the car side could

Marks and Spencer seeks Spanish link

MARKS and Spencer has confirmed it is in talks to expand its operations in Spain by way of a joint venture with Cortefiel, a Spanish depart-

ment store group.

The two companies are currently negotiating with Celso Garcia, another Spanish department store chain, to buy

department store chain, to buy one of its stores in Serrano, a chic shopping street in Madrid.

Marks and Spencer already runs two retail franchises in Spain with the Galerias Preciados department stores, which form part of Mountleigh, the UK property group. One of these franchises is in Madrid and the other in Barcelona.

However, these franchises However, these franchises only operate as shops within

shops, and the proposed joint venture with Cortefiel would be the first store in Spain to trade under the Marks and

ily. It owns half of a very suc-cessful boutique chain called Don Algodon, similar to the Benetton group. Celso Garcia owns 11 clothing stores in Mad-rid and Salamanca.

In 1987 its family owners in 1987 its family owners sold out to Mr Jacques Hachnel, a financier who has since become a player in banking by taking a stake of just over 1 per cent in Banco Espanol de Credito (Banesto), Spain's third biggest bank.

Interest rates erode profits at WestLB

By Andrew Fisher in Frankfurt

HIGHER short-term interest rates in West Germany further eroded the first-half profits of Westdeutsche Landesbank, the country's fourth biggest bank, which yesterday announced an 8 per cent drop in group oper-ating profits and one of 10 per cent for the parent bank.

The bank gave no absolute figures, but said the comparison was with half of the full 1988 result. This would give a figure of DM428m (\$225m) for the group operating result in the first six months and one of DM360m for the parent bank.

WestLB, the shareholders of which are the state of North Rhine-Westphalia and the regional savings body, said that partial operating profits in the first half, which exclude trading on its own account, totalled DM277m, a 29 per cent fall from the same period of last year. For the whole of 1989, WestLB said full operat-ing profits would be below those of last year as a result of the impact of interest rate

trends on refinancing costs.

Last year the group operating result slipped to DM930m from DM1bm, with the parent bank figure down more sharply to DM800m from DM000m. DM900m. But it expected again to be able to pay a 4 per-cent dividend for 1989 on its recently increased share cani-

Interest earnings were down by 14 per cent to DM726m in the first half, while commission income, partly reflecting livelier securities trading, rose by 15 per cent to DM122m.

Rheinmetall advances 23%

RHEINMETALL Berlin, the West German weapons and car component manufacturer, said pre-tax profit rose 23 per cent to DM79.2m (\$41.6m) in the first half of 1989, from DM64.3m in the year-ago period, Reuter reports.

The group said it expected satisfactory business and earnings for the year. Interim group sales fell to DM1.14bn from DM1.35bn.

BTR Nylex doubles its earnings

By Chris Sherwell in Sydney

BTR NYLEX, a 62 per cent ther progress in the second owned subsidiary of Britain's half based on current levels of BTR — and Australia's third order books, and declared an largest company - yesterday embellished its impressive growth record by reporting a doubling of interim earnings and sales and boosting its divi-

Figures for the six months to June showed an after-tax attributable profit of A\$225.3m (US\$173.3m), up 113 per cent on the same period in 1988, on sales of A\$2.45bn, up 87 per

The Melbourne-based group, which is headed by Mr Alan Jackson, said it foresaw fur-

RHEINISCH-Westfälisches

Elektrizitätswerk (RWE), West Germany's largest electricity utility, reports that rising prof-

its in fiscal 1989 will allow it to boost its dividend from DM8 a

share, AP-DJ reports from Frankfurt.
The group said sales jumped

by 45 per cent in the year ended June 30 to DM38.9bn (\$20.4bn) from DM26.9bn a year

earlier, mostly because of the US\$1.1bn acquisition of Deut-

sche Texaco (DTA) from Tex-

The DTA takeover added DM9.6bn to RWE's turnover, and the purchase of Harris

Graphics contributed another

DM514m, according to an

The company did not dis-

close any profit figures for fis-cal 1989 and did not say what

aco of the US in 1988.

interim report.

RWE to increase

payout after gain

interim dividend of 10 cents a share, which compares with an adjusted 4.3 cents last year.

Overall, it attributed the improvement to "continued high demand for the company's products from the majority of markets and geographic regions that it serves," but the figures also confirmed the value of its ACI packaging group acquisition in 1988. The results now also include

six-month contribution from Feltrax, the New Zealand group acquired last year from

Excluding the new acquisi-tions, sales rose 7.0 per cent

In fiscal 1988 group net income had eased to DM766m

from DM779m because of higher nuclear safety and pol-lution-control outlays, but the

company forecast a rise in fis-

cal 1989 earnings. Earnings at the group's elec-tricity division benefited from

a 3.2 per cent rise in sales to DM18.5bn, from DM17.9bn. But

higher spending on environ-

mental protection and a one

time charge due to cancellation

of the controversial nuclear

fuel-processing plant in Wack-ersdorf, Bavaria, cut into util-

The oil and chemical busi-

ness fully met management's expectations.

ity profits.

Equiticorp, the subsequently improvement, as did building collapsed investment company. This has brought in a profit before interest and tax of

A\$78m, on sales of A\$734m. According to a breakdown from the group's divisions, the dominant plastics business showed a static performance as expected, generating operating profits of A\$106m on sales of A\$574m.

NEWMONT MINING, the

leading US gold producer, is to pay \$57.5m for an extra 5 per

cent shareholding in Peabody

Coal, the biggest US coal group, Kenneth Gooding, Min-ing Correspondent, writes. The stake is being acquired

from Equitable Life Assurance

Society of the US which is

understood to have objected

recently to changes Newmont

isation plan for Peabody. That plan was scrapped last

Friday but Newmont said yes-

terday that, once the latest share purchase was completed,

probably in late September, it would go ahead with a recapitalisation of Peabody.

It said that whatever new

recapitalisation plan was cho-

sen it would expect to receive

at least \$400m in cash which

wanted to make to a recapital-

Profits from the packaging division, on the other hand, jumped to A\$80m from A\$31m on sales which rose to A\$378m from A\$150m. The glass, resources and textiles division showed a similar scale of

products.

Earnings per share of 21.1 cents are almost double the comparable adjusted figure of 11.3 cents last year. Gearing has meanwhile been reduced: net borrowings as a percentage of shareholders' funds stand at 38 per cent, down from 66 per cent in June last year.

On the stock market, BTR Nylex's shares finished in Sydney at A\$5.76, up 4 cents, after initially dipping in line with a generally weaker market. At this level the price is still below its recent 12-month high of A\$6.10.

would be used to reduce out-standing debt. The scheme would also result in Peabody

incurring additional debt of at

cent owned by Hanson follow-ing the UK conglomerate's

acquisition of Consolidated

Gold Fields this week, already

owns 49.97 per cent of Peabody.

Peabody recapitalisation would have been for Newmont to

have retained its stake in the

also would effectively have

transferred some of Newmont's

\$1bn debt to Peabody. This was built up in 1987 when New-

mont fought off an unwelcome

bid by a group lead by Mr T. Boone Pickens, the corporate

The net effect of the previous

Newmont, which is 49 per

least \$800m.

Procter & **Gamble** posts sharp increase

By James Buchan in New York

PROCTER & GAMBLE, the big US soap and detergent company, yesterday reported a sharp increase in profits for the three months to June as the company continues to reap the benefit of a revitalised array of products.

Procter & Gamble, which for much of the 1980s suffered falling market shares in key brands, said that unit volumes increased to records in most of its US consumer divisions and in all of its big overseas divisions. The company said it intends to increase next year's dividend by 20 per cent to \$3.60 and wants to split its stock into two charges. into two shares.

In the June quarter, the last of the company's year, earnings increased 22 per cent to \$171m or 99 cents a share on a per cent increase in net sales to \$5.43bn. The earnings increase would have been greater but for a \$78m charge to profits to cover the closing of a plant in Chicago and other operations as part of a consoli-dation that concentrates facto-

ries on single products. The strong fourth quarter gave earnings for the 1988-89 full year of \$1.21bn or \$7.12 a coal company while pulling \$500m of cash from Peabody. It share, an increase of 18 per cent. Net sales rose 11 per cent to \$21.40bn.

Mr John Smale, chairman of the Cincinnati company, and Mr John Pepper, president, said: "We are reasonably pleased with results of the past year. As we enter the 1990s, our objective is to build on the momentum generated within the company during the past

few years."
In the US, net operating earnings were up 7 per cent at \$927m, or by 16 per cent before the special restructuring charges. The US business, which spent the mid-1980s in a hard but successful campaign to recapture market share lost in detergent, diapers and toothpaste, saw unit volume growth in seven out of nine consumer divisions.

Overseas, earnings soared by 37 per cent to \$417m, with broad-based growth both by country and product line. Procter said many countries saw double-digit volume growth.

August, 1989

pean heavy truck firms,

By John Thornhill in London and Peter Bruce in Madrid

Cortefiel, one of Spain's leading department store groups, is controlled by the Hinojosa fam-

GPA Group surges 51%

By Our Financial Staff

could maintain significant growth in the present buoyant

GPA GROUP, the aircraft leasing and financial services group based at Shannon in the Irish Republic, reported a 51 per cent increase from \$264m to \$399m in revenue for the quarter ended June 30 1989. Net profits after tax were 53 per cent ahead at \$52.5m.
Dr T.A. Ryan, chairman and chief executive, said the new financial year had started well and he was confident GPA

aviation market-place. Earnings per share for the quarter rose 46 per cent to \$9.52 from \$6.53 and the dividend was increased from \$1.20 to \$1.60. Shareholders' funds increased by \$191m during the quarter mainly through the issue in June of \$150m of ordinary shares, purchased partly by existing holders and partly by new investors. Hanson, the UK-based indus-

trial conglomerate, took up

NEW ISSUE

Privatbanken ahead 20%

Newmont Mining to

lift Peabody stake

By Hilary Barnes in Copenhagen

PRIVATBANKEN, the Danish bank, brushed aside a 14 per cent increase in first-half group costs to report an improvement of 20 per cent in profits to DKr289m (\$39m) from DKr241m after provisions and deprecia-tion. Provisions were down slightly to DKr269m from

DKr311m last year.
Extraordinary income of DKr142m, largely from the sale of property, and a DKr219m gain on the value of the securi-ties portfolio lifted pre-tax prof-

its to DKr650m from DKr564m. The bank said the return on equity was 9.9 per cent before extraordinary items and 22.4 per cent before tax.

The interim statement said profits for the year, before extraordinary items, were expected to be in line with last year's DKr523m. A substantial gain on security values was also expected.

Group assets increased to DKr113.9bn from DKr101.9bn

PRELIMINARY ANNOUNCEMENT OF RESULTS ended 30 june 1988 R*000 16,468 4,038 125 20.631 3.848 3.248 871 2.003 374 17.383° 22 17,361 250 5,904 6,721 117 ANNUAL REPORT

NEW WITS LIMITED

(Registration No 05/04822/06)

(Incorporated in the Republic of South Africa).

DECLARATION OF FINAL DIVIDEND

PET PTO CONSOLIDATED GOLD FIELDS PLC

A MEMBER OF THE GOLD PIELDS GROUP

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W OBD Tel: 01-828 7233/5699 An AFBD member Reuters Code: IGIN, IGIO FT 30 FTSE 100 WALL STREET

Aug. 1954/1963 -11 Aug. 2339/2349 +13 Aug. 2687/2699 +4

Sep. 1962/1971 -11 Sep. 2349/2359 +13 Sep. 2697/2709 +4

Prices taken at 5pm and change is from previous close at 9pm

VOGELSTRUISBULT METAL HOLDINGS LIMITED (Incorporated in the Republic of South Africa) (Registration No 05/04346/06) INTERIM REPORT

	CONSOLIDATED INCOMÉ STATEMENT	months	months	Year
	- · · · · · · · · · · · · · · · · · · ·	ended 30 lune	ended 30 june	ended 31 December
	•	1989	1988	1988
	REVENUE	R'000	R'000	R'0000
	Income from investments	8,173	3,350	12,155
	Surplus on realisation of investments	720 424	254	513
		9.317	3.604	12.668
	EXPENDITURE	/ادرد 258	217	457
	Administration and general	258	217	457
	PROFIT BEFORE TAX	9,059	3.387	12,211
	Tax		15	44
۔۔	PROFIT AFTER TAX	8.838	3,372	12,167
	*Unaudited		-	i
	Earnings per share - concs	48	18	66
	Dividends per stare cents	25 4.5 9 8	11 2.023	40 2357
	- times covered	1.9	1.7	1.7
	CONSOLIDATED BALANCE SHEET	*At	"Ac	Az 31
1		30 june 1969	30 june 1988	December 1988
		R'000	R'000	8700
	INVESTMENTS	35,649	31,662	35,937
. 1	NET CURRENT ASSETS	6,973	3,259	2,445
	Current assets	12,057	5.455	7,875
	Less current liabilities	5,084	2,196	5,430
		42,622	34,928	38,382
	SHARE CAPITAL	9,448	9,448	9.448
	RESERVES	33,174	25.473	28,934
		42.622	34,921	38.382
	INVESTMENTS	46.576	27.861	33,275
	- Excess over book value	27,412	12,684	13.823
	- Book vafue	19,164	15,177	19,452
	Unlisted - Book value	16,485	16,485	16,485
	*Unaudiced Number of shares in issue	18.393,600	18.393.600	IB.393.600
Ì	Net assets (at Asinet) bet spale - Churz	651	546	564
	1			

DECLARATION OF INTERIM DIVIDEND Cividend No 85 of 25 cents per share has been declared in South African ou mambers registered at the close of business on 25 August 1989. Warrants payable on 27 September 1989 will be posted on or about 26 Sep

3 August 1989

A MEMBER OF THE GOLD FIELDS GROUP

BUSINESS SERVICES

Business Services advertising appears every Tuesday. For advertising information please telephone adam futeran 01-873 3559/01-407 5763

SAISON GROUP PARCO CO., LTD.

This announcement appears as a matter of record only.

U.S.\$120,000,000 37/8 per cent. Guaranteed Bonds Due 1993

Warrants

to subscribe for shares of common stock of PARCO Co., Ltd. Payment of principal and interest being unconditionally and irrevocably guaranteed by

The Dai-Ichi Kangyo Bank, Limited

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

DKB International Limited

Banque Bruxelles Lambert S.A.

Nippon Kangyo Kakumaru (Europe) Limited

Nomura International

Barclays de Zoete Wedd Limited Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited Robert Fleming & Co. Limited **Goldman Sachs International Limited** Kleinwort Benson Limited Merrill Lynch International Limited Morgan Stanley International Paribas Capital Markets Group Swiss Bank Corporation

Tokai International Limited

Universal (U.K.) Limited

Banque Indosuez Bayerische Landesbank Girozentrale

Dai-ichi Europe Limited Dresdner Bank Fuji International Finance Limited

Hyundai Securities Co., Ltd. LTCB International Limited Mitsubishi Finance International Limited

New Japan Securities Europe Limited Saitama Finance International Limited Taiyo Kobe International Limited

UBS Phillips & Drew Securities Limited S.G. Warburg Securities

Yamatane Securities (Europe) Ltd.



The City of Kobe

U.S. \$150,000,000

8% per cent. Guaranteed Bonds Due 1999

Unconditionally and irrevocably guaranteed as to the payment of principal and interest

Japan

Issue Price 101.60 per cent.

Bank of Tokyo Capital Markets Group

Taiyo Kobe International Limited

Prudential-Bache Capital Funding

Bankers Trust International Limited

Banque Bruxelles Lambert S.A.

Barclays de Zoete Wedd Limited

Daiwa Europe Limited

Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited

Goldman Sachs International Limited

IBJ International Limited

Merrill Lynch International Limited

J.P. Morgan Securities Ltd.

Morgan Stanley International

Nomura International

Paribas Capital Markets Group

Swiss Bank Corporation

UBS Phillips & Drew Securities Limited

S. G. Warburg Securities

NEW ISSUE

AUGUST 1989

NOTICE TO HOLDERS OF

SUZUTAN CO., LTD.

warrants) issue in conquestion with an issue of 2½ per cent. U.S. Dollar Gunranteed Boods 1992. Adjustment of subscription price to be made as a result of the authorization of free share distribution.

the authorization of free share discributions. Notice is hereby given that with respect to this suamer of new shares for free discribution authorized at the meeting of the Board of Direction held on July 12, 1990, the shareholders appearing on the register of shareholders of the Company in 350 p.m. or August 33, 1989 (Japan time) (the record dot;) will be allocated one (1) new share for each ten (10) shares owned, and as a result of und authorization of five share distribution the following adjustment of the subscription price for the Warrants shall be made pursuas in Condition 7 of the Terms and Conditions of the Warrants and Conditions of the Terms and Conditions

DBSBANK

THE DEVELOPMENT BANK OF SINGAPORE LTD

US\$75,000,000 14%% NOTES DUE AUGUST 12, 1989

Notice is hereby given that the aforesaid Notes will be maturing on August 12, 1989 and will be redeemed at par. Subject to applicable laws and regulations, payments in respect of the principal amount will be made in United States Dollars against the presentation and surrender of the Notes at the offices of any of the Paying Agents

> Morgan Guaranty Trust Company of New York Corporate Trust Office 30 West Broadway

Morgan Guaranty Trust Company of New York Morgan House 1 Angel Court

opment Bank of Singapore Ltd DBS Building 6 Shenton Way Singapore 0106

London EC2R 7AE

D-6000 Frankfurt am Main

Swiss Bank Corporation

Morgan Guaranty Trust Kredletbenk S.A. Company of New York Mainzer Landstrasse 46 P.O. Box 17283

Morgan Guaranty Trust Company of New York Avenue des Arts 35

Morgan Guaranty Trust Company of New York 14 Place Vendôme Paris 75001

Coupons maturing on August 12, 1989 and theretofore are to be detached and presented for payment in the usual manner. Interest shall cease to accrue on the Notes on and after the maturity date.

August 11, 1989

By: The Tokai Bank, Limited as Principal Poying Agent Dated: August 11th 1989

Subscription price after adjustment: Yen 1,557,50

Effective date of the adjustment (Japan time): September 1, 198

SUZUTAN CO., LTD.

Blue Circle Industries PLC 000,000,002

5% per cent. Subordinated

Adjustment of Conversion Price Adjustment of Conversion Price
Notice is hereby given that, tollowing
the sub-division of each of the Ordinary Shares of 15 each of Blue Circle
industries PLC into two Ordinary
Shares of 50p each (pursuant to ar
Ordinary Resolution of the Annual
General Meeting on 12th June, 1983)
the Conversion Price of the Convetible Bonds has, in accordance with
the frust Deed dated 20th May, 1981,
been edipused from 430p to 215p, with
effect on and from 1st August, 1989.

By: The Chase Manhattan Back, N.A. Principal Paying and Conversion Agest July 31, 1989

The Royal Bank of Scotland Group plc

\$200,000,000 **FLOATING RATE NOTES 2005**

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from 9th August 1989 to 9th November 1989, the Notes will bear a Rate of Interest of 131% and per annum. The amount of interest payable on 9th November 1989 will be £175.65 per £5,000 Note. and £1756.51 per £50.000 Note.

AGENT BANK: CHARTERHOUSE BANK LIMITED



ALLIANCE LEICESTER

Alliance & Leicester Building Society

£150,000,000

Floating Rate Notes due 1995

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 8th November 1989 has been fixed at 13.975% per annum. The interest accruing for such three month period will be £352.25 per £10,000 Bearer Note, and £3.522.47 per £100,000 Bearer Note, on 8th November 1989 against presentation of Coupon No. 5.



8th August, 1989

London Branch

INTERNATIONAL COMPANIES AND FINANCE



Bjorn Borg bows out in Monaco

By Our Financial Staff

THE TROUBLED fashion-bas THE TROUBLED fashion-based empire of Mr Bjorn Borg is to close its Monaco headquarters. Mr Peter Smedman, the liquidator of the former Swedish tennis star's network of companies, said the Bjorn Borg Design Group in Monte Carlo would close within a few months and 10 employees would lose their tobs.

would lose their jobs.

The Bjorn Borg Design Group produces designer fashions, shoes and accessories, and has property interests in

Mr Borg announced last month that he would close the Scandinavian division of the international business he built from the profits of his 10-year tennis career, during which he won the Wimbledon men's championship five times. He promised to meet the debts of the company, Bjorn Borg Invest, from his personal for-tune, estimated at \$100m.

He also said he believed that the cost structure of the group was too high for its income, notably in Monte Carlo, although he added: "I remain committed to the business and am in the process of trying to reorganise the management and corporate structure of the

group."
Mr Borg, 33, who retired from tennis six years ago, last month turned down a SKr30m (\$4.6m) offer by Mercurius-Group, a Swedish investment company, to buy into his group, which has a share capi-tal of \$6.3m, because, he claimed, the terms were not suitable to him as principal shareholder. "It would have meant surrendering financial

control," he said.

The future of his international holding company, the Jersey-based Bjorn Borg Enterprises, which also has interests in the US and Asia,

Saga Petroleum interim climbs to NKr151m

By Our Financial Staff

SAGA PETROLEUM, the Norwegian oil independent, reported yesterday a surge in first-half profits before extraordinary items and year-end tax adjustments to NKr151m (\$21.7m) from NKr62m. Operating profit jumped to NKr394m from NKr45m.

Saga, which is Norway's biggest fully private oil company, said it expected full-year 1989 profits of about NKr300m, against NKr152m posted for 1988.

The company said the improved result in the first half of 1989 was primarily due to increased production of oil from its North Sea stakes and

better oil prices.
Saga's share of Norway's
North Sea oil production rose
to 8.35m barrels in the first half, double the level in firsthalf 1988.

Failed General Shopping sees \$14.20 payout

By John Wicks in Zurich

GENERAL SHOPPING, the Luxembourg-based investment company which went into vol-untary liquidation in 1983, foresees payment of a final dividend of \$14.20 per share from its remaining assets of

Following the expiry of a liability period under US law, the board of liquidators has freed risk provisions and decided to call two extraordinary general meetings in Octo-ber. These would result in the final payment being made on

General Shopping, formed in 1962 to hold stakes in the international retail sector, had built up its capital before liquidation to \$70.4m, in the form of 704,089 shares of \$100 nominal value. Regular dividends during its active period

mounted to \$72.8m. Since November 1983, liquidation dividends have amounted to \$235.8m or \$335 per share. The final payment will bring this up to \$245.8m or \$349.20 per share.

SKF surges 93% despite Latin American downturn

By Robert Taylor in Stockholm

SKF of Sweden, the world's leading roller bearings manu-facturer, enjoyed a 93 per cent

facturer, enjoyed a S3 per cent increase in Net profits to SKr1.21bm (\$187.3m) for the first six months, up from SKr526m in the same period of 1888. This follows a 32 per cent jump in net profits for the whole of last year.

SKF's sales also showed substantial growth, up by 21 per cent in the first six months from SKr10.56m to SKr12.77bm. The company reported that demand was buoyant in most markets except Latin America, although there were signs of weakening demand in the US.

Mr Mauritz Sahlin, SKF's managing director, said yester-

managing director, said yester-day that he expected group income in the second half to

exceed the 1988 figure for the same period.

Rolling bearing operations while sales advanced by 17 per same period.

Rolling bearing operations are especially impressive. There was a 113 per cent growth in income for the first half, up from SKr459m to SKr977m, and a 21 per cent jump in sales from SKr8.87bn to SKr10.76bn.

The commany said vesteriay

to SKr10.750n.

The company said yesterday it was "accelerating efforts to increase its manufacturing capacity in the US in order to reduce imports from the remainder of the group." It added that income from orders

at MRC Bearings, its North American company, as well as SKF Avio in Italy, continued to grow strongly.

Profits in SKF's component systems division have also cent from SKr1.42bn to

SKr1.69hn.

The only setback for SKF has been in its tools division where sales rose by 7 per cent in the first six months, from SKr585m to SKr685m. However, income fell from SKr70m to SKr585m.

SKream.
The company pinned most of The company primed most of the blame on Brazil where, it said, it had been adversely affected by economic developments. It added that the European operations of SRF Tools had shown a strong improvement in income over the first six munths which, to a great offset the week trend in extent, offset the weak trend in

Advance at Dominion Textile

By Robert Gibbens in Montreal

DOMINION Textile, Canada's largest primary textile and fabric producer, earned C\$12.4m (US\$10.6m) or 42 cents a share in the fourth quarter to June, up from \$10.6m or 38 cents a year earlier. Sales were \$897m

against \$355m.
Full-year earnings were
\$9.3m or 14 cents a share against \$43.1m or \$1.91 a year earlier. Sales were \$1.4bn against \$1.2bn. Average shares outstanding were 26.6m in the latest period against 19.7m a

Restructuring of domestic and international operations led to a \$38m charge in the fourth quarter. This meant a final loss of \$28.8m for fiscal 1989 against a profit of \$63.im after extraordinary items in fiscal 1988.

The North American denim business strengthened in the fourth quarter and better over-all conditions are being maintained so far in the first quarter of fiscal 1990.

Japan Dev. Bank 10 96 L.T.C.8. of Japan 9 k 92 Metropolis Tokyo 9 ½ 93 Nippon Tel & Tel. 9 ½ 98 Norway 8 ½ 93 Protogal 8 ½ 91 Pridential Crp. 8 ½ 94

DEUTSCHE MARK

E.I.B. 6% 95. Euro Coal& Steel 5% 97.... Eurofina 64 96.... Elec De France 54 97....

However, the company warns that business may be

affected later this year by a broad North American slow-

The Dominion board has adopted a shareholder rights plan to be used if there is an attempt to acquire control of the company.

The rights plan or poison pill must be approved by share-holders at the annual meeting

on October 25.

Journey's End, a fast-growing Canadian motel and hotel chain, has asked Wood Gundy, the Canadian stockbroker, to seek a buyer. The mar-ket value of the company was almost C\$180m before trading in the stock was halted on

Wednesday. Wood Gundy said the Belleville, Ontario, chain would attract bidders from Europe and Asia besides Canada. The company is controlled by three senior managers led by Mr Maurice Rollins, who is chair-

Journey's End operates 109 units in Canada and the north-east US and plans to expand in Australia and Europe. In the nine months ended April it earned C\$5.6m or \$5 cents a share on revenues

of C\$67m. Socanav and Caisse de Dépôt of Quebec, which are bidding jointly for the Steinberg stores chain, removed from their offer the condition that a minimum of 90 per cent

of Steinberg's shares be ten-dered, AP reports.

They said they would now take up and pay for all shares

The group is offering C351 per Stainberg A share and a competing bid by Oxdon Investments is offering C353. Each group is bidding C375 a competing characteristics. common share. Socanav has an exclusive option to purchase 52 per cent of Steinberg's voting equity from the Steinberg fam-

By group.

Oxdon has taken court action to halt the Socanav

Socanav said financing was available to pay for all shares deposited under its offer.

FT INTERNATIONAL BOND SERVICE

	Listed are the latest inter	national bonds for which there is a	n adequate sixondary market.	
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FLATING RATE

ROTES

Alliance & Letc. Bid 94 £
Bank of Greece 99 US
Belgium 91 US
Chelt. & Gloucester 94 £
Creit. Faceler 98 US.
Dresduer Flutance 99 DM
EEC 3 92 DM
Halifax BS 94 £
Intt. In Industry 94 £
Leeds Perm. B/E. 94 £
Midland Bank 01 £
Midland Bank 01 £
Midland Bank 01 £
Wey Zealand 5 97 £
State Bk. Now. 98 US.
Woolwich 5 95 £
Average grice change.

CONVERTIBLE

BORIDS

Alexa 6-1, 02-US

Anne, Brands 7-1, 92-US

CRS, Inc. 5-02-US

Prisseries 5-1, 02-US

Eng. China Ciny 6-1, 03-US

Eng. China Ciny 6-1, 03-US

Lachtshie 5-1, 04-E

Land Secs. 6-1, 12-E

Underto Canoro 2-1, 940M

Mar A Les 5-1, 04-E

Lind Secs. 6-1, 12-E

Underto Canoro 2-1, 940M

Mar A Les 5-1, 04-US

Mar A Les 5-1, 04-US

Mar A Les 5-1, 04-US

Res Park 5-05-E

Res Park 5-05-E

Res Res 6-1, 13-US

Res 1, 13-US

Re Stitizen Graphics 8 04 US... Sentione Bant 33, 04 US... Texas last, 21, 62 US... Utal it papers 8 04 E... W. B. Grate 6 1, 12 US...

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount leased is in millions of carrenty units except for Yea bonds where it is in billions. Change on week — Change over price a week earlier.

Floating-Rate Nikus: Denominated in dollars unless otherwise indicated. Common storm is minimum. C die — Date next coupon becomes effective. Spraad—Warple above air-month effered rate thinks-month, subove mean ratel for US dollars. C.con—The current coupon.

cospon.

Describble Bonds: Desominated in dotters unless outerwise indicated.

City. Say - Change on day. Cay date - First date of conversion into share; Cav. price - Nominal amount of bond per share expressed recurrency of share as conversion rate fixed at issue. Prem - Percentage premium of the currenterfactive price of acquiring shares via the bond over the most recent grice of the shares.



INTERNATIONAL CAPITAL MARKETS

Strong demand for NZ state telecoms issue | AFBD lobbies US futures

NEW INTERNATIONAL BOND ISSUES

101.50

.. 192.000

NEW ISSUE activity and secondary trading on the Eurobond markets yesterday fol-lowed the pattern set earlier in the week, with very occasional ground of thin trading. Westpac Banking Corpora-

INTERNATIONAL BONDS

tion was the lead manager of a NZ\$50m four-year issue for the Telecom Corporation of New Zealand (Overseas Finance),

cations utility. The deal was increased to NZ\$75m after surprisingly investors a fat coupon of 13%

The bonds offered retail per cent and were priced to yield some 32 basis points at less full fees over the benchmark New Zealand governsation programme, raising ment issue. The issue proceeds doubts about the long-term integrity of the borrower's

In addition to the retail demand at which the deal was There was no clause relating mainly aimed, there was unexto ownership in the documen-tation of yesterday's deal, and a Westpac official said that pripected interest from UK fund managers. The bonds were trading strongly at less 1.45 bid, well inside full underwritvatisation was currently a distant possibility. Other analysts ing commissions of 1% per argued that the ownership question might become rele-Nevertheless, several players commented that not enough attention had been paid to the vant later this year, although there is also the possibility that the Government will sell possibility that the company only a minority interest in the

In Switzerland yesterday,

traded on the secondary market for the first time, and was quoted by Swiss Bank Corpora-tion, the lead manager, at 99% bid, against a 101 issue price. At that level, the notes offered a yield of 5.53 per cent. Private investors were reported to be unlikely to sell their holdings

 Citicorp Investment Bank announced that it was under-writing a \$75m international tranche of a US SEC-registered credit-card-backed deal for National Credit Card Trust. The five-year straight bonds will be priced on Monday or

Tuesday next week.

The deal has a novel structure whereby credit enhancement is provided by a private placement tranche which will bear any first losses. Previous deals have used third party banks to provide the enhance ment needed for a triple-A

prices at the long end finishing

unchanged, or 15 pfennigs weaker in places. In the

futures market, where there

was modest turnover of 15,500 lots, prices drifted off to close

at 95.50 compared with 95.57 on

Wednesday. Slightly unusually, the

Bundesbank bought in excess of DM200m worth of medium-

term notes. The central bank's

market operations are usually concentrated in bund paper.

regulators on segregation

By Katharine Campbell

THE ASSOCIATION of Futures Brokers & Dealers has made a formal submission to US futures regulators requesting a relaxation of rules concerning the segregation of funds where US customers are dealing on a London exchange, it emerged

But the mood at the Commodity Futures Trading Commission in Washington suggests the request may fall on deaf ears.

As the indictments of Chicago futures traders gather pace, the entire US futures regulatory framework is undergoing what one official called "the most intense scrutiny since the commission was formed 15 years ago," lessening the chances of significant concessions to foreign authorities. However, Mr Phillip Thorpe, chief executive of the AFBD,

says: "We believe there is reason to continue talking with the CFTC and we think we have been able to identify a way forward that has not been proposed before. The submission explains our position and offers a basis for further dis-cussion."

From September, UK firms dealing for US customers in London only escape the full force of US regulation if they comply with the terms of an exemption, hammered out in months of acrimonious negotiations between the CFTC and the Securities & Investment Board, the UK lead regulator. Although besieged by irate London firms affected by the

new proposals, the SIB was unable to secure the exclusion of segregation from the terms of the exemption. As a result, the AFBD in May announced its intention of taking up the banner on behalf of the domestic market most affected by the requirements, the London

Metal Exchange.
Segregation – which confers extra security to clients in the event of a firm's default by requiring firms to keep customer monies in a separate account - is mandatory under US law, but only compulsory for private clients in the UK. Now, in response to requests the CFTC in a letter dated 19

June 1989, the AFBD has sub-

The confidential submission

suggests LME firms should be

mitted a nine-page account of the special nature of LME's non cash-cleared business arguing, once again, that "the compulsory segregation of US customer funds is unnecessary. where those customers are demonstrably commercial and where the market practices have been shown effective and are preferred by market users."

allowed to offer US customers the option of non-segregation provided that:

 US customers' trading is "exclusively connected with and integral to business activity which involves . . . nonferrous metals."

• Customers have been "fully appraised of the consequences of not opting for segregation" by signing an addendum to the risk disclosure document agreed by the AFBD and

 In the event the LME firm is not willing to offer segregation, a list is provided of other firms which do offer that facility.

• LME firms will segregate any cash funds in excess of those required for initial and variation margin.

Mr Michael Brown, chief executive of the LME, said that his members were awaiting the outcome of this submission before applying for exemption, which must be done on an individual firm basis. While the exemption became formally effective in May, the CFTC allowed a 120-day grace period before members were obliged

Ms Andrea Corcoran, director of the trading and markets division of the CFTC, said the agency "is trying to give rea-soned consideration to this new submission."

Tokio Servicos

boosts capital

Turkey plans to develop its capital markets

TURKEY PLANS to introduce rating agencies and secondary bond trading to develop its cap-ital markets, under legislation to be debated by parliament next month, Reuter reports

from Ankara. Mr Sukru Tekbas, the chair man of the Capital Markets Board, said the draft aimed at ncray, said the draft aimed at increasing public awareness of Turkey's fledgling capital mar-kets, currently dominated by heavy government borrowing through Treasury bills and

Mr Tekbas said the new law would allow companies to raise cash through capital markets by issues ranging from real-estate-based securities to gold certificates, provided the system was backed by rating agencies and clearing houses. The Capital Markets Board is also looking at the possible introduction of a stock exchange in the Aegean city of Izmir, he added. "Turkey's capital markets are young and I see a good future. A couple of years ago no company would come to the market to raise money, but things are chang-ing now," he said. At present few options exist

companies needing short-term finance through capital markets.

Treasuries slide ahead of bond auction

might become part of the New Zealand Government's privati-

NEW ZEALAND DOLLARS

Skopbank(a)

CIBC(a)

were unswapped.

TREASURY bonds continued to slide yesterday morning in advance of the 30vear bond auction and the sale of \$15bn in cash management

At mid-session, the Trea-sury's benchmark long bond was quoted if point lower, tak-

GOVERNMENT BONDS

ing its yield to 8.17 per cent. The market went into the long bond auction knowing that demand not only from overseas but domestically was disappointing at both the three-year and 10-year auctions earlier this week. Dealers had been left with substantial posi-

Mitigating this indigestion is the fact that the market has declined this week taking the yield on the long bond to a more attractive level. Bond traders were hoping the lukewarm Japanese interest in the 10-year sale might have led to Japanese investors shifting their sights to longer maturi-

Given the enormous supply which the market has had to digest, including several corpo-rate and municipal issues, the

been that significant. Economists at Drexel Burnham Lambert noted in their daily commentary that the

market has held up pretty well during the refunding in spite of difficulties associated with a much shorter than usual period of when issued trading because of the delay in signing the hike in the debt ceiling. Early weakness in the dollar proved something of a drag on the bond market yesterday

The main focus of the mar-

9.125 8.875

7,000

1/94 5/99

No 111 No 2

FRANCE BTAN 8.000 OAT 8.125

CANADA

AUSTRALIA

price erosion this week has not ket yesterday was what demand would emerge at the long bond auction. Today, all eyes will be on the July producer prices index and retail sales figures for last month. The PPI is expected to have been flat to slightly higher after the 0.2 per cent rise in the index in June. Retail sales are expected to have risen by around 0.5 per cent, compared with the decline in June of 0.4

1%/11/2 Westpac Banking Corp.

Mitsui Finance Trust Int Bankers Trust Int.

final terms were set on the

SFr100m equity warrants deal for Furuno Electric brought on Monday by Citicorp Invest-ment Bank. The deal traded

very strongly, with the cum-warrant bonds rising to 101 bid, a significant premium to

the par issue price.

The warrants also put in a good performance amid wide-

spread demand including inter-

est from London brokerage houses. The warrant price rose

from SFr300 bid to SFr325 bid

The IBM SFr140m three-year

bullet-maturity notes issue

at the end of the session

■THE GERMAN market was again quiet yesterday, with

Change Yield

107-12 +4/32 10.64 10.85 98-25 +11/32 9.96 10.16 98-26 +6/32 9.13 9.24

106-21 -7/32 8.12 7.79 107-24 -13/32 8.18 7.88

-0.059 5.07 -0.101 4.99

97.9407 -0.069 8.55 8.56 98.6300 -0.050 8.32 8.35

3/99 100.2300 +0.030 6.96 6.94 7.05

10.250 12/98 105.0000 -0.775 9.43 9.09

12.000 7/99 94.4322 -0.476 13.01 13.00 13.46

Medium-term notes closed around 10 pfennigs weaker. ■THE UK gilt-edged securities market continued to hold up **BENCHMARK GOVERNMENT BONDS**

well, supported by sterling's strength, and by some overseas buying. Dealers observed for-eigners switching out of US Treasuries and into gilts, and noted that all high-yielding currencies had benefited from the dollar's recent setback. But a 1/2 point rally early in

the day was enough to spark some selling later on, from domestic institutions which believe the market does not offer good value. On Liffe, the September long

gilt future ended % point firmer at 97-03, and in the cash market, prices at the long end finished only about 🕏 point stronger after the afternoon's limited selling.

Copthorne seeks a £60m 10-year loan facility

COPTHORNE HOTEL There is a participation fee of Holdings, a subsidiary of the Irish airline Aer Lingus, is seeking a £60m 10-year loan facility with a Euro French franc option up to the equivalent of £11m. National Westminster Bank is the arranger.

The loan, which is non-re-course to Aer Lingus, is secured by first mortgages over various hotels owned by Copthorne. Funds will be used to acquire and construct new hotels. The loan carries a margin in the first three years of % over London interbank offered rates, rising to % in years four to seven and % per cent in years eight to 10. Repayment begins after the fifth year.

Financieros, a Spanish affiliate of Bank of Tokyo, has increased its capital so it can % per cent and a commitment qualify as a securities firm fee of 1/4 on undrawn balances. under Spain's new securities Baltic, a holding company for businesses engaged in pro-viding medium and long-term market law, Reuter reports

from Tokyo.

Tokio Servicos's capital is asset finance and property now Pta750m, the minimum required to engage in securidevelopment, has arranged a £50m commercial paper proties business under the new gramme through Barclays de Zoete Wedd. It is the compalaw, from its previous Ptalm, a BOT official said. ny's first borrowing in the

The company was the first Japanese-affiliated firm to obtain such a qualification since the new law took effect in January this year. The deadline for applying to Spain's Finance Ministry was June 23. The move was aimed at expanding securities business in Spain prior to 1992.

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

		1	1 881.20	lay Au	just 10	1989)	Wed Aug 9	Aug 8	Mon Aug 7	Year ago (approx)
Fig	& SUB-SECTIONS gures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earniags Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1989 to date	index No.	index No.	tndex No.	Index No.
1	CAPITAL G0005 (207)	1003,72	-9.6	16.62	4.01	11.57	19.57	1069.91	1804.79	999,37	811.69
2]	Building Materials (29)	1238.54	-8.2	11.99	4.30	10.38	25.92	1241.36	1229.09		1030.98 1613.25
-3[Contracting, Construction (38)	1630.61	-8.2	14.24 7.83	4.29	9,15 15,81	32.70 50.60	1633.66 2983.69	1631.77 2974.98		2171.94
4	Electricals (9)	2274 11	+6.2	8.59	3.85 3.29	15.20	43.06		2277.88		1767.51
2	Mechanical Engineering (55)	EE2 67	-03	9.60	3.89	12.72	9.57	554.34	551.22	548.52	427.68
å	Metals and Metal Forming (6)	522.67	-0.5	19.28	5.74	5.76	14.84	525.79	524.24	520.37	492.69
	Motors (17)		-0.0	10.51	4.22	11,14	6.83	368,42	363.82		284,66
10	Other Industrial Materials (23)		-11	8.5%	4.82	13.45	33.56	1765.09	1777.80	1751.35	1331.52
21/	CONSUMER GROUP (186)	1355.69	-0.6	8.04	3.15	15.62	20.36	1363.66	1359.24	1359.57	1098.99
22	Brewers and Distillers (22)	1525.87	+0.1	8.74	3.21	14.31	21.93	1523.21	1508.13		1129.79
25	Food Manufacturing (20) Food Retailing (14) Health and Household (14)	2191.26	-0.9	8,40	3.51	14.76	28,55	1201.93	1198.52		994.41
26	Food Retailing (14)	2626.25	-6.3	. 7.67	2.62	17.22	32.27	2647.88	2618.31		
27	Health and Household (14)	2486.77	-8,5	5.91	1.65	19.97	22.24	2499.77	2488.48		
29	Leisure (33)	1774.95	-0.5	7.09	3,34	17,48	29.39 9.11	622.29	1783.46 622.82	623.62	1384.10 538.22
31]	Packaging & Paper (15) Publishing & Printing (19)	920.10	-8.3	9.45	3.99 4.32	13.37 15.63	72.55	3852.01	3820.16	3883.06	
32(Publishing & Printing (19)	7624.27	+0.1	9.91	432	13.17	16.19	897.84	905.24	911.11	B19.26
34	Stores (34)	863./0	-8.3	10.62	5.16	11.27	15.66	564.35	563.21	562.42	596.36
22]	Textiles (15)	122E 88	-8.5	9.51	3.92	12.80	20.52	1229.79	1206.65	1198.99	894.89
41	Agencles (17)	7574 11	-1.0	6.78	2.24	18.22	18,99	1592.72			
42	Chemicals (22)	7249 77	-0.5	10.55	4.59	10.76	28.02	1354.88		1329.26	
72	Conglomerates (23)	1886.77	-0.2	9.46	4.51	12.43	26.22	1819.78	1787.13		1208.21
751	Transport (13)	2465.88	-1.3	8.50	3.67	15.28	39.22	2498.65	2497.84	2477.67	
47	Telephone Networks (2)	11199.33	+8.2	11.05	4.47	11.79	22.38	1197.03	1892.18		960.18
48	Miscellaneous (26)	2000.99	-8.7	8 <u>.2</u> 8	3.84	13.83	29.00	2015.66	1987.96	1988.43	1212.17
49		1243.52	-0.6	9.14	3.60	13.51	29.83		1242.90	1238.99	981.13
51	011 & Gas (14)	2173.65	-0.3	9.77	5.15	13.62	64.24		2188.23		1825.45
59	500 SHARE INDEX (500)	1322.93	-0.5	9.22	3.20	13.52	24.38	1329.92	1323.49	1328.58	
611	FINANCIAL EROUP (124)	795.80	-0.3	- }	5.11		18.87	797.99	795.12	791.91	703.36
62	Banks (9)	794.47	-0.4	21.75	6.28	6.04	23.46	797.31	792.87	787.36	646.21
6511	Insurance (Life) (8)	1208.44	+0.1	-	4.94	_	29.86	1207.56		1187.97	1846.87
66]	Insurance (Composite) (7)	630.34	48.2		5.76		16.75	629.86	631.41	628.61	546.53
67 1	Insurance (Brokers) (7)	952.14	-0.5	7.93	6.52	16.97	31.63 7.38	956.60 369.31	953.39 369.65	952.63 368.58	956.689 362.67
68	Merchant Banks (10)	368.87	-6,1	6.14	4.30 2.84	29.76	17.86	1393.22	388.16		1236.06
69]	Property (52)	370 52	-0.7	10.68	5.76	12.13	9.63	389.82	377.48	377.47	342.33
_	Other Financial (31)		-6.1	10.00			_			1244.39	917.22
71		1268.44	+6.1		2.63	13.37	15.47 15.84	1267.43 719.83	1257.81 712.13	787.88	917.22 514.28
81 1	Mining Finance (1)	723,111 748E 99	+0.2 +0.3	8.29 9.90	3.56 5.85	11.53	43.33	1401.57	1400-57	1403,20	1142.69
	Overseas Traders (8)	1194.84	-9.5	2.70	3.96	-		1200.27	1194.55		961.69
99	ALL-SHARE INDEX (702)							_			Year
- }	·	Index	Day's	Day's	Day's (Aug	Aug B	Aug 7	Acg 4	Ang	TEAR ago
	FT-SE 100 SHARE INDEX4	160.	Change -13.1	High (a) 2364.7			2348.1			2396.3	_

FI)	CED I	NTE	RES	.			AVERAGE GROSS REDEMPTION YI		Thu Aug 10	Wed Aug 9	Year ago (appro
PRICE INDICES	Thu Aug 10	Day's change	Wed Aug 9	xd adj. today	xd ad]. 1989 to date	1 · 3	Coupons 15	yearsyears	9.42 9.03 8.99	9.45 9.07 9.03 10.32	9.6 9.4 9.0
5 years 5 years 5-15 years Over 15 years	119.08 135.12 148.58 170.35	+0.25 +0.34 +0.33	118.95 134.79 148.08 169.80	- -	7.18 8.43 7.38 7.32 8.00	8 9	Coupers 15 25 High 5 Coupers 15	years	18.28 9.46 9.12 10.41 9.67 9.29 9.04	9.50 9.15 10.45 9.71 9.33 9.07	9.2 9.2 10.2 9.3 9.3
Index-Unkell 5 years	132.56 141.82 139.92 139.94	+0.25 +0.33	192.57 141.46 139.62 139.64	0,16	1.36 2.50	끊	Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10%	5yrs Over 5 yrs 5 yrs Over 5 yrs	2.82 3.45 2.06 3.29	2.89 3.48 2.13 3.31	3.1 2.1 3.1
Octobers & Lains	<u> </u>	40.06		-	6.16	15 16 17	Debs & Loans Loans Preference	5 years 15 years 25 years	12.56 11.79 11.20	12.50 11.80 11.21	10.1 10.1

LONDON RECENT ISSUES Amount Littest 1989
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75 MAIpha Estatis 50
35 MAInhassador Ses. Brp. 50
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100 MBCARMORE GROUP 109
1178 Gawrings 109
128 Gamerican Gas Lun 1st.
129 MBC Cresset FFO. 35
100 Leveraged Opportunity 78
100 MBCARMORE FFO. 35
101 MBCARMORE FOR JUN 1st.
110 MBCARMORE FRO. 35
111 MBCARMORE MBCARMORE JUN 1st.
120 MBCARMORE MBCARMORE MBCARMORE JUN 15
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12 e281 19 4.1 172 9.5 11/8 19 60 95 1506 20 44 91 1113 47 16 177 30 31 38 110 118 35 124 666 15 47 190 R949.5 28 25 15.3 13.75 RS.0 1.6 5.7 13.2 FIXED INTEREST STOCKS Closing Price £ 1989 High Low 1130 1020 Carton Comms. 6.50 (Ned Cr. Rd Pf 50.25)
2000 4 000 Reach 7.50 (Ned Cr. Rd Pf 50.25)
5034 5034 Garmone Am Seas. Zero (Ne Pf 50.25)
1040 989 Harrier Pf 746 (Ned Cr. Pf. 4.25)
1170 1050 Harring Glison 81 pc Cr. Pf. 100 Leverand Decorption For Earlier Inc. 100p 100 100p 110p -3 1 ppm 50½ -½ 980 1160

1000 1000 1000 1000 1000 44200 41000	FP. FP. FP. FP. FP. FP.	21/6 10/7 25/7	700m 1004 100 1044 1030 1052 130p 117p	100 4974 100 994 1014 1079 1004p	Leveraged Opportunity Tis. Dr. Urs. Lin. Landon Ses. 8-Upp. Cr. M. Pr. 15" wide Amplia 13-Spp. Bits 23,7.90 Do. 1.3-Jpr. Biss. 13/8/90 Do. 4.2-Spc. Index-United 2024 Dwen & Robinson 8-Spa. Cited Cr. Pr. Reseassance Afridge 8-Spc. Cit. 1994 Illphook Upits WPP 8-Z5p Cr. Mr. Pf. 109	12.00 m 100 m 104 m 104 m 104 m	-i -12
_			R	GHT:	S OFFERS		
issue Price	Amoust. Pale	Latest Resunc	19	299	Stock	Closing Price	+ 82
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365 9 145 165 10		139 158 158 158	95pm 12 23pm 15pm 121	70pp 7½ 7pm 1½pm 11	AiM Group 10p Bear Brand Egerton Trust Claimar Group 10p Marines Petroleum 10p	70peo 91 ₂ 7pm 4pm 11	-1-2 -1-2 -1-2 -1-3

a Assumitized dividend in Figures based on prospectus estimates, d Dividend rate salely or gayable on part of capital, a Assumption and dividend in Figures based on prospectus estimates, d Dividend rate salely or gayable on part of capital, a Assumption in the capital process of serious special payment. In Forecast, or restingued analysised dividend rate, cover based on prespectus or other official estimates for 1999. N Dividend and yield based on prospectus or other official estimates for 1999-11. Estimates distinguised dividend cover and piet based on interest and prespectus or other official estimates for 1998-N Dividend and yield based on prospectus or other official estimates for 1998-N Dividend and yield based on prospectus or other official estimates. When Foremal Spanses is based in the ordinary store, as a "rights." Introduction placing or the official estimates. When Foremal Spanses is based in the based on the ordinary store; as a "rights." Introduction placing price of Reintroduction of Economic ordinary store; as a "rights." Introduction placing price of United States in connection with reorganization merger or calcover. It Adotted in price of United States on price or the ordinary store of the ordinary store.

TRADITIONAL OPTIONS

Aug 7 Celis in Morgan Grenfell, Asda, N Aug 18 Kals, Oliver Res, Talbex, First Dealings
Last Dealings Aug 18 Nov 9 Nov 20 Amstrad, Ffloyd Eng, IMC, Pre-mier, Christinall, Williams Hidgs, Molopo, Brit & Comm. P/C PML, Morg Grenfell. Last Declarations For settlement

LONDON TRADED OPTIONS

OVERALL VOLUMES on the London Traded Options Market much of the business was open-British & Commonwealth yesterday continued at moderate tevels as the FT-SE Index rose 13.1 points to 2,347.3. The general mood was that the underlying market was oversold, or at very least was being driven by speci lative issues and rumoured or inspired reports which were seen

ating volume business than reflecting any near-reality.

A total of 35,475 contracts changed hands, made up of some 25,700 calls and over 9,700 puts. Much of the business was driven by persistent bid rumours, particularly in Asda, the stores group, which was the best performing stock of the session. Asda traded

ing call purchasing, with the Sep-tember 200 calls trading 1,679 contracts.

domestic capital markets.

● Toronto Dominion Bank has completed a £150m term loan

for Mirror Group intended to

refinance existing debt and to

fund the purchase of British

Newspaper Printing Corpora-

Dixons was the second-busiest stock, trading 2,496 contracts, of which 1.800 contracts were the ber 160 to December 180 calls. Cable and Wireless again attracted interest on the back of the ADS listing in the US and traded 2,082 contracts; trade was predominantly buillish, with 1,600

Scottish & Newcastle contrib-uted 1,625 contracts, made up of

again a feature on a good deal of speculation as to its future. Yesterday saw a total of 1.593 contracts traded, down sharply on the previous day's business. Technically, some in the market take the view that the stock is on an uptrend, following its break-out

above 180p.
The FT-SE index option remained quiet by recent perfor-mances, accounting for a mere 15 per cent of total business. This lower level of activity is attributed to uncertainty about future market direction. Many traders believe the market is technically too high but are reluctant to sell for fear of tresh takeovers and other speculation of a transfer of

Option			CALLS . Jac.			PUTS Jan	. Apr.	Optica						PUTS Jac	Apr.	Option		Sep	HUS Nov			PUTS Nov	Jan
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BP shows slight advance to £752m in first half

By Max Wilkinson, Resources Editor

BRITISH PETROLEUM yesterday announced a 3 per cent increase in its replace-ment cost after tax profit for the first six months of the

The replacement cost profit for the April to June period was 15 per cent higher at £371m. The figure for the first half was £752m, but that excluded an extraordinary profit of £267m from the sale of BP minerals, although it included the profit from the sale of assets in the Magnus field in the North Sea.

Mr David Simon, managing director in charge of finance, said yesterday that the results were a satisfactory reflection of the group's strategic deci-sion to re-focus its business on the core oil and gas sectors.

A \$2.3 rise in the oil price in the period led to a \$243m gain in profits from stocks held by the company. This pushed the profit on a historic cost basis up to £1.09bn for the first half compared with £620m.

The group declared a quar-

terly dividend of 3.65p bringing the dividend for the first half to 7.3p. Mr Simon explained that this was not comparable to the previous interim divi-dend, which was 5p. The new policy was to set the quarterly dividend at a level which gave a cumulative signal as to the likely dividend for the full

The latest quarter's results showed a continued improvement in all three major sectors of the business.

Pre-tax operating profit on a replacement cost basis from exploration and production was up 11 per cent in the second quarter at £395m, bringing the result for the first half to £878m, a rise of 15 per cent. This reflected the rise in oil prices and a more favourable dollar exchange rate, offset by lower production and a rise in Alaskan oil taxes.

The group's oil production averaged 1.37m barrels a day in the quarter, 12 per cent less than in the same period last year. Production interruptions in the North Sea and the low-ered stakes in the Magnus and Forties fields accounted for the decline. However, the group's gas sales rose from 793m cu ft per day in the second quarter of 1988 to 1.466bn cu ft per day in the latest quarter.

Refining and marketing profits for the latest quarter were £228m, 34 per cent up on the 1988 figure. This reflected the

higher refining margins experienced by the industry as a whole and the strong demand for products, particularly in

BP Chemicals, the third major sector of the business continued to improve its results, with a replacement cost operating profit for the second quarter of £187m, a rise of 17 per cent on the first quarter and 42 per cent better than in the same period in 1988. However, the company says the improvement in chemicals profits has reached a peak and some decline is expect-

Mr Simon said that the group was well on the way to achieving its target of a sale of assets of \$1.5bn to \$2 bn, excluding the proceeds from the sale of its minerals business. Dispersion of our this year had not posals so far this year had net-ted \$1.2bn, and the group would continue a policy of vigorous asset management.

The ratio of debt to debt plus

equity stands at 48.8 per cent, but a combination of asset sales and the use of strong cash flow would reduce the ratio to a little above 40 per cent by the end of the year, he

Max Lewinsohn resigns from Dominion board

By Clare Pearson

MR MAX LEWINSOHN, architect of Dominion Interna tional for 15 years, yesterday moved to pre-empt shareholder action by announcing that he was resigning as deputy chairman at the annual meeting of the troubled financial services, property and natural resources

group.

But the drama did not end there for the scores of shareholders and others who had braved the morning rain to pack into the meeting at the company's leafy headquarters in Wimbledon, south London. Lord Barnett, the Labour

peer who is non-executive chairman, found himself subjected to a prolonged harangue from Mr Buster Mottram, the one-time leading British tennis player and a Dominion share-holder.

Mr Roy Richardson, the prominent Midlands investor and property developer who, together with his brother Don, has built up a substantial stake, also subjected the board to a few pieces of his mind. Meanwhile, other sharehold-

ers flexed their muscles by throwing out three of the 14 resolutions put to the meeting, as well as cheering Mr Lewin-sohn's resignation and "hearhearing" the speakers.

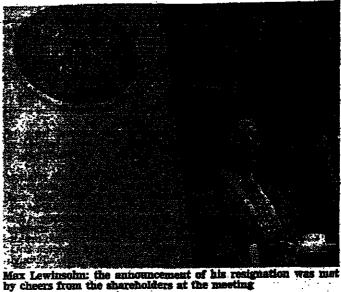
Mr Lewinsohn's departure follows Dominion's announcement last month of disappointing results. The Richardson brothers had turned up the heat by increasing their stake from 6.6 to nearly 12 per cent.



Roy Richardson: might make bid in right circumstances

As he bade farewell to the company he had created out of the shell Dundee Crematorium in the mid 1970s, he made a clear reference to the Richardsons by warning shareholders to "beware of creeping back-door control".

But Mr Richardson later dismissed the suggestion he was trying to gain control by this



was to protect the value of his investment. This would not exclude making a formal takeover offer, in certain circum-

"I'm not against the current management provided the com-pany performs," he said. "But if the shares continued to fall, to a level that was attractive enough, we would consider making a bid."

He said for the moment he

viewed in a favourable light Mr Carl Openshaw, the new man-aging director who worked for Guthrie, the diversified manufacturing group, before its takeover by BBA Group last

Meanwhile Mr Mottram Meanwhile Mr Mottram determinedly ploughed through a long agends of complaints, shrugging off Lord Barnett's attempts to stop him with replies that he described as "platitudinous".

as "platitudinous".

As well as bludgeoning the chairman with questions about Dominion's accounting policy and the number of non-executive directors, he also expressed concern about the size of the company's contribu-tions to British tennis. This was a feature which had origi-

nelly attracted him to invest in it, he said later. Mr Openshaw said later he would be carrying out a rigor-ous review of all group operations and proposals, including the recent plan to sell FFL Holdings, the film insurance company, and replace it with York Associ-ates, a New York mortgage

Dominion's weakening share price suffered a further blow after it last month announced arrer it less month amounted pre-tax prefix of £5.44m, down from £6.55m lest year, although this figure was restated as £4.87m because of new provisions against motor finance.

City concern has focused particularly on the size of the write-offs made by Dominion in the past few years, when it has also adopted a labyrinthine corporate strategy as well vari-ous changes in its accounting olicies. According to one ana lyst Dominion has written-off nearly £22m over the past four

Shareholders reappointed all the other directors. They rejected three technical resolu-tions relating to increases in the authorised share capital and changes in the articles of association:

Mr Lewinsohn's resignation does not immediately affect a management and financial advice contract under which his firm of accountants received \$223,000 from Dominion last year. Mr Openshaw said this would be reviewed.

Royal Dutch/Shell makes £2bn

THE ROYAL DUTCH/SHELL group yesterday announced a 38 per cent rise in second quarter after tax earnings on a replacement cost basis, compared with a year earlier, writes Max Wilkinson.

Profit for the quarter was £912m, with £2.02bn for the first six months including gains from the sale of real

On an historic cost basis, which includes stockholding gains resulting from the higher price of oil, profits for the quarter were £1.01bn, a 58 per cent rise. The group said the main reasons for the second quarter

 A rise in exploration and production earnings, reflecting higher crude oil prices in dollars and the stronger dollar against other currencies. Improvements in the manufacturing, marine and market-

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ing business, reflecting gains in inventory holdings and higher sales in the far east.

• A slight improvement in chemicals earnings with higher margins in the US.

 Continued improvements in the profitability of the coal and metals sectors.

Exploration and production earnings rose by £140m to £341m in the second quarter. Crude oil production rose by 2 per cent to 1.73m barrels a day, and natural gas sales volumes also rose 2 per cent, to 5.31bn cubic feet a day. A production fall of some 90,000 barrels a day in the UK North Sea was more than outweighed by increases

elsewhere. In the downstream sector, in which Shell includes refining marketing and marine operations, the latest quarter's profits increased 79 per cent in the quarter to £288m. Lower

volumes of oil product sales in the US were balanced by increases in the Far East. On a replacement cost basis the sec-

Although margins were higher in the quarter than a year ago, the group said they slipped towards the end of the

Chemicals profit improved 8 per cent in the second quarter to £267m, though first half profits rose 32 per to £629m. Profits from metals continued to improve in the second quarter, nearly trebling to £40m. The coal sector also started to contribute to group profits after years of disap-pointing results. First half profits were £29m compared

with a loss of £7m. For the half year corporate items contributed £246m compared with a loss of £86m. See Lex

SHIMIZU

CORPORATION

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Assets/shares swap for Clyde

By Ray Bashford in London and Laura Raun in Amsterdam

CLYDE PETROLEUM, the independent exploration and production group, has expanded its UK oil reserves through an assets-for-shares swap with DSM, the Dutch chemicals

DSM's two UK upstream oil and gas subsidiaries are being acquired in return for a 9.1 per cent stake in Clyde, lifting its holding to 9.7 per cent of the enlarged capital.

The principal asset is a 5 per cent interest in the Alba field

in addition to 9 exploration blocks and two onshore licences. The two subsidiaries have net assets of about £6.5m in cash and debt, Clyde directors said.

Mr Colin Phipps, Clyde chairman, said the interest in

the Alba field helped the company spread its risk through an investment which had "substantial upside for the 1990's". The acquisition will add an estimated 30m barrels of proven and probable oil and gas equivalent, "Our production profile should now exceed 20,000 daily barrels from 1990 to at least 1995 and 12,000 daily

barrels through to the next century based only on existing proven reserves," Mr Phipps For DSM the deal allows it to exchange modest oil and gas holdings in the UK for a substantial stake in a leading UK petroleum group which has a broad spread of European

The Dutch company has a

with £195,000

ing profits almost doubled at £211,000, against £110,000.

The pre-tax figure was £195,000, compared with losses last time of £237,000 which

were struck after rationalisa-tion costs of £324,000. Turnover

Mr Allan Jonnes, the new

chairman, said that second half profits would have the benefit of increased sales in the English crafts division from the tourist trade and the build-up of orders for Christ-

After tax of £44,000 (£35,000 credit) earnings per share came out at 0.67p (1.99p losses). The interim dividend is maintained at 0.5p.

was static at £5.57m.

Bullers on the upgrade plan to establish its relatively operated along side its diverse

offshore activities are viewed as a promising source of profits as well as a partial hedge against the chemical proportions. Early this year operations. Early this year DSM bought the 50 per cant it did not own in a North Sea joint venture with Petrofina.

Philip Morris listing

Philip Morris Companies inc has applied to the Stock Exchange for all of its common stock to be admitted to the Official List by way of an intro-duction sponsored by County Natwest. Dealings are expecte to commence on August 14.

Independent Newspapers :

rises to I£6m

Bullers, a maker of fine arts | Improved performances in all and giftware, reported operat trading divisions helped Independent Newspapers show a 20 per cent rise in pre-tax profits for the first half of 1989. From turnover ahead 8 per cent from 1265.4m to 1270.39m (261m), the profit worked through at 126m. Mr Tony O'Reilly, chairman,

said overseas operations yielded satisfactory results while the buoyant Irish economy gave rise to improved trading conditions for the national and provincial news-papers in Ireland.

Earnings for the period were 13.2p (11.3p) and the interim dividend is lifted to 4p (3.33p adjusted). There was an extraordinary gain 25.9m.(nil) of

Acquisitions boost Hickson to £20.4m By John Ridding

A SERIES of acquisitions hoosted pre-tax profits at Hick-son International, the special-ist chemicals group, to £20.43m for the first half, an increase of 69.5 per cent over the compara-

hie period.

Mr Melvyn Hopley, chairman, described the growth rate as "exhibitating." But the markets had been hoping for slightly more and this, combined with some concern about the effect of higher interest rates sent the shares down 10p to 2750.

Turnover in the six months to June 30 increased from \$129.1m to \$200.8m. Earnings per share, limited by issues to finance the various acquisi-tions, rose from 9.12p to 12.5p. There is an interim dividend of 2.6p (2.25p). The chemicals division

increased operating profits by 86-per cent to £14.1m; with £5m coming from Kerley and Manro, two acquisitions.

In timber protection, profits increased by 79 per cent to 25.3m. The principal factor in the improvement was Wolman which was acquired in Febru-

ary.
The merchant distribution businesses, mainly involved in floor coverings, improved profits by 35 per cent to £3.1m. This included a first time contribution from Komfort, acquired in March, and a £400,000 contribu-March, and a \$400,000 contribu-tion from property disposals.

According to Mr Hopley,
"recently, especially in areas
affected by interest rates such
as housing starts in the UK
and US, there has been some
slowing in sales demand." He
added, however, that "so far
the effect has been small." The
group was protected by its

geographic and business **O COMMENT**

The slip in Hickson's share

price, which at one stage was down 15p, appears an overreac-tion given that profits were slightly down on ambitious top of the range forecasts. None-theless, it provided a reminder that despite the euphoria surrounding Hickson's recent per-formance a number of its businesses are vulnerable to higher interest rates and that much of the shares' recent outperformance has resulted from bid speculation rather than fundamentals. The need to digest the latest batch of acquisitions and the traditionally quieter sec-ond half imply a slowing in the growth rate. However, in Hick-son's terms, this still means full year profits of £38.5m, compared with £26.9m last time. What happens to the share price depends on Mr Jack Del-lal's Allied Commercial Exporters' 13 per cent stake. But Mr Dellai seems to have had itchy feet for a while now and his failure to pass on the stake reduces prospects of a

Ward White stake

Junction Advisors, the US arbitrage fund, has acquired a further 425,000 shares in Ward White, the retailer, taking its

ward White is currently fac-ing a hostile bid from Boots, the retail and pharmaceutical group, and Junction acquired its shares at 458p each, above the level of Boots' increased offer of 445p.

Leisure expansion for Copson

F COPSON, the plumber and builders' merchant which is transforming itself into a hotels and nursing home group, announced two more acquisitions in line with its new direction, by Edward Sussman.

The group is buying The Hare & Hounds Hotel, near Newbury, Berkshire, for £1.93m cash and the Conifers Nursing Home, in Preston, Lancashire,

cash and the Conners Nursing Home, in Preston, Lancashire, for £1.45m.

Copson also announced pretax profits ahead 24 per cent to £932,000 (£751,000) for the year to April 30, on sales of £22.66m (£29.56m). Earnings per share expanded 22 per cent to 9.89p (£11p) and a final dividend of 3p makes a total of 4p (3p).

Mr Satish Chatwani, chairman, said the building supplies division had a strong year, but the heating and plumbing side ran into difficulty.

The Chatwanis have indicated they intend to sell these divisions in the long term. In the meantime, the heating and plumbing business is being completely restructured. The division's site was sold to developers on July 31 for up to £3.5m. After the two acquisitions and the sech indivision's site and the sech indicated the sech site of the sech s

£3.5m. After the two acquisitions and the cash injection, gearing will be about 15 per cent.

Law Debenture plans dividend rise

Law Debenture Corporation plans to raise its dividend by at least 2.55p for 1989.

The state of the s

(3.75p) from earnings of 6.63p (5.38p), and the final will be not less than 7.75p (6.45p), the directors said.

NEWS DIGEST

For the first half of 1989 gross revenue moved up to £3.59m (£3m), with franked income at £1.22m (£1m) and trustee and other fees at £1.55m (£1.29m).

Rent reviews help Compco to £1.24m

Compco Holdings, the property investment and development company, reported pre-tax profits up 54 per cent, from £804,000 to £1.24m for the year to March

Net asset value increased from £19.48m to £26.08m, after taking into account the inter-nal re-valuation of the group's investment properties at March 25, to give a pershare figure of £12.61, compared with

942p.
The directors said that during the year the group had benefited from a number of rent After tax of £429,000

(£335,000) earnings per share rose from 22.75p to 39.03p. The single final dividend goes up from 9p to a proposed 10.8p. There was an extraordinary item of £240,000 (£232,000).

Epwin diversification smooths demand

Substantial profit growth for the first half of 1989 and another acquisition were announced by Epwin Group, a USM-quoted specialist window manufacturer.

On turnover ahead 9 per cent, from £16.6m to £18.1m, profits before tax surged 83 per cent, from £600,000 to £1.1m. Mr Jim Rawson, chairman,

said the policy of market diver-sification into three trading sification into three trading areas – trade, commercial and retail – led to balanced sales, smoothing out variable demand on uPVC extrusion and manufacturing facilities.

The acquisition, the second in three months, is of MSC (Environmental Engineers), a West Midlands-based maker of glass sealed units, for between \$21.64m and \$21.84m depending on profits.

st.54m and st.54m depending on profits.

Initially £1.42m will be paid through the issue of 1.03m shares, of which 547,446 have been placed at 137p each. In the year ended October 31 1988 MSC made pre-tax profit of £185,320 on turnover of £2.76m. Not assets were £511.068. Net assets were £511,066. Net assets were 15.11,066. Epwin's earnings in the half year came to 5.6p (2.9p) and the interim dividend is stepped up to 1.8p (1.8p).

Foreign & Colonial net assets rise

Foreign & Colonial Investment Trust amounced a 25 per cent increase in net assets during the first six months of 1989. The end-June figure for net assets per share stood at 176.8p, compared with 142.2p a year earlier and 141p at end-

The interim dividend is 0.8p. F&C intends to recommend a final payment of 1.7p, making a total of 2.5p. Net revenue before tax in the first half was

E12.6m (210.91m).

• Fleming High Income
Trust, which had a highly successful launch in April,
declared a first interim dividend of L3p. Directors said they were confident that the initial forecast of total dividends of not less than 5.25p can be achieved. Net asset value at end-July was 100.7p

per share, up 5.8 per cent since the launch.

Frost higher and sees further growth

Growth continued in the first half at the Frost Group with interim pre-tax profits up 44 per cent from £1.44m to £2.07m. The company said it looked forward to further progress in the second half

the second half. Petrol retailing continued to perform well during the period on existing and new sites. The on existing and new sites. The buying programme of one site a month was being maintained. Turnover for the six months to end-June at this holding company, which also has interests in sale promotion, property and financial services, was 30 per cent higher at £33.08m (£25.43m). Earnings per share came out at 10.23p (7.8p) and the interim dividend is raised to 5.25p (4p). to 5.25p (4p).

Competitive markets restrict Chieftain

Competitive market conditions held back Chieftain Group, the USM-quoted specialist insulation and fireproofing services supplier, in the first half of

Pre-tax profits amounted to \$602,000 - a decline of 7 per cent on the £644,000 achieved at the same stage last year. Turnover fell to £4.54m (£5m). The directors expressed confidence over medium term

the group's policy to expand both organically and by acqui-Earnings per 5p share drifted to 4.78p (5.77p), but the interim dividend is raised 0.2p to 1.8p.

profit margins and reiterated

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July 1989.

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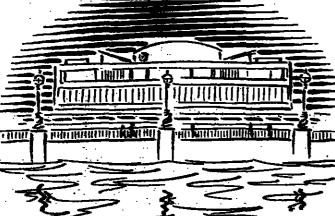
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Queueing for a share of cold comfort

Andrew Taylor on the failure of Kentish Properties and the prospects for its creditors

HEN IT comes to the Isle of Dogs, where Kentish dividing what is left planned to build 348 flats; Bow dividing what is left from the remains of a failed public company, shareholders are the last in the queue. Often there is nothing for them to share after the banks and other creditors have picked over the bones.

This will provide no comfort for shareholders in Kentish Properties who have been called to an extraordinary meeting at the end of this month to appoint liquidators to wind up the group's business. The company's shares were

floated at 185p in July 1987 and 22 months ago stood at a peak of 342p. This was in stark con-trast to the 61p at which the shares were suspended last month before Kentish sought court protection from creditors to gain breathing space. The failure of that attempt made this week's decision to appoint

a liquidator inevitable.
So, who stands in line to share what assets remain and what are the rights of people who have exchanged contracts and paid deposits of up to £10,000 to buy flats not yet

Only three out of nine Kentish sites in south and east London involve people who have bought homes in partly com-

These are Burrells Wharf on

MISS FREDALINDA TELFER, a 29-year-old

software specialist, paid deposits totalling

almost £10,000 for two flats at Kentish Proper-

ty's Bow Quarter development, writes Andrew

She agreed to buy the second, more expensive flat because she liked it better than the one she

originally agreed to purchase for £88,500 last

October. She had found a buyer for the first flat

when Kentish Property collapsed. She says: "I have not heard from my buyer

and do not expect the sale to be completed. I have no confidence that the development

will be completed as planned and want

my money back but the receivers say this

Mr Stephen Swindon, 27, bought a studio flat

at Bow Quarter for £74,000 in the spring. He

wants his deposit of £3.700 returned.

He says: "There is no longer a commitment to develop all of the site. We could find ourselves

next door to an unattractive development which

"There is no guarantee that future flats may not be sold to the council or at a lower price

which would reduce the value of properties bought previously. It might be less expensive to forfeit my deposit than see the value of my flat

Miss Christine Ridley, 30, who works at Credit Suisse First Boston, however, is relieved that

the receivers propose to complete most of

Bow Quarter. She bought a £94,000 flat

She says: " Provided the receivers deliver it."

Fergabrook into profit

would damage the value of flats.

is not possible."

about £5,000,

Quarter, a development of 638 flats in east London; and Lea-bank Square, also in Bow, where there were plans for 40 town houses and 35 flats. Peat Marwick McClintock,

receiver at Bow Quarter, plans to complete two-thirds of the 600 flats. It says the 150 purchasers who had exchanged contracts would get their homes, adding that purchasers would forfeit deposits if they did not honour contracts.

Some buyers want to pull out, saying there is no guaran-tee the development will be completed as originally planned. They fear the value of their homes will fall if prices are cut to persuade future pur-chasers to come forward. Other buyers are just relieved they still have chance to buy and their deposits have not been

Halifax Building Society, the main lender at Burrells Wharf, where Peat Marwick is again the receiver, says it intends to complete a significant propor-tion of the development. The 100 people who had contracted to buy homes would either be offered their original choice of a flat or as near to their original choice as possible. Deposits would not be refunded

Cork Gully, receiver at Lea-

Some buyers lack confidence about

the future of their new homes

bank, says about 20 people had offered to buy the flats, but no contracts have been exchanged. Some small deposits may been have left with estate agents but these should be recoverable if the development does not proceed.
Winding up the business has

been complicated by the appointment of separate receivers to individual developments as well as to three of the com-

pany's seven subsidiaries.

They have been appointed by various banks, building societies and financial institutions which have lent money secured against specific pro-jects or against the activities of individual subsidiaries (see

The two largest lenders are Halifax, which has so far lent almost £26m on the Burrells Wharf development, and Security Pacific, which represents a syndicate of six banks which has lent £18m to the Bow Quarter scheme. Halifax said it had been mak-

ing loans to commercial and residential developers for at least eight to nine years. This was the first time it had incurred problems on this scale. Less than 1 per cent of loans made by Halifax were made to developers. Halifax and Security Pacific

together account for £43m of

Other financial institutions which have have appointed receivers to specific develop-

debts of £65m owed by Kentish, which in its last balance sheet showed shareholders funds of Other creditors which have

made loans secured against specific developments proposed by Kentish include Midland Bank, Barclays Bank, Alliance & Leicester Building Society, the merchant banking and financial services group Chancery, the deposit taker and mortgage financier Bench-mark, and Paine Webber, the **IIS** investment bank. Banks and building societies

as secured creditors, with a fixed or floating charge against the company's assets, come towards the front of the queue when it comes to paying off debts. Only the receivers, who get their fees, Customs and Excise (for value added tax), and employees – wage arrears, for example – take

Further down the line come unsecured creditors such as contractors and building mate-rials suppliers which may not have been paid for all the work done. Halifax is currently nego-tiating with contractors at Burrells Wharf to decide what arrangements might be made for completing the works.

ments must now decide whether to complete the projects themselves; most seem likely to sell the sites on to other developers. Many have taken out mortgage insurance

to cover any loss on sales. But do receivers at Kentish believe other developers are likely to fail in what has become a highly depressed housing market? Mr Roger Oldfield, one of the receivers at Bow Quarter and two other sites, has been part of Peat Marwick's corporate recovery team for almost two decades. He witnessed the last property crash in the mid 1970s which led to the failure of companies

like Northern Developments,
"Most public companies
which survived the 1970s
learned their lesson and are much better managed, have less debt and are therefore less susceptible to sharp increases in interest rates," says Mr Old-

"Companies which fail this time are likely to be smaller businesses which lack the management experience and resources to cope with the slump in demand. I am sure there are companies which have overstretched themselves by taking on too much debt in the belief that house prices and sales would go on rising and there will be other failures."

Kentish Property's

built or proposed by Kentish Property, as well as the main

1. Bow Quarter: The company planned to build 638 flats. Pear Marwick McClintock, receivers for the development, proposes to complete about 400. A group of six banks led by Security Pacific has lent about £18m and may have to provide another £20m to

2. Burrells Wharf: Halifax Building Society has lent almost £26m for the project originally planned to provide 343 flats, shops, offices and a leisure centre. Halifax says it intends to complete most of the development but has not finalised which parts.

3. Cascades: This block on the Thames, built in a style more appropriate for the Mediterranean or Miami Beach, is the company's best-known development. It is fully let on long leases Benchmark has a debt of about £700,000 secured on the property 4. Leabank Square: A small residential development on which

apart from a few show houses.

5. Rotherhithe Street: Former warehouse recently advertised for sale as a development site. Barclays Bank has lent about £2.5m

6. Bow Town Hall: Still occupied by the local council but with plans to turn it into a residential development. Chancery is understood to have lent about £3.5m. 7. Bow Road: Industrial site opposite Bow tube station with

8. Old Ford Boad: Alliance & Lelcester Building Society had agreed to lend about £2.25m but only £750,000 drawn to acquire the site for a housing scheme.

bow Quarter. She bought a 194,000 that be more positive. It could have been a lot there last September paying a deposit of worse. We could have lost our deposits residential and light industrial development. Kentish Property also has a 70,000 sq ft office building in Hertfordshire, part of which it occupied as its headquarters.

major developments

THESE ARE THE major developments in east and south London

Midland Bank has lent about £1.75m. So far little has been built

planning permission for housing. Paine Webber understood to have lent about £800,000.

9. Burdett Road: A development site for sale. Chancery is the

Ridley action on Gold Fields

By Philip Coggan By Kenneth Gooding, Mining Correspondent

Bridge

toys and plastics group, yester-day revealed its first interim profit since 1985 and a planned change of name to Clearmark. The company made a pre-tax profit of £157,000 in the six months to June 30, compared with a loss of £2.66m in the same period last year. Turn-over rose 82 per cent to

£10.45m (£5.73m). Once again there is no interim dividend, but the company will shortly propose a recapitalisation scheme designed to eliminate the deficit on the profit and loss account and allow dividend

payments to resume. Last year, Harlestone, the manufacturer of Wemblev plas-

FERGABROOK, the footballs,

tic footballs, reversed into Fergabrook, a toy company which had been heavily dependent on the sales of TV-related toys, such as the A-team and Thun-

The reorganisation was accompanied by a £2.6m rights issue and the company has since made a further rights to raise £3.3m. The loss-making security alarms and cosmetics distribution businesses have been sold.

The new chief executive, Mr Philip Harrison, said that Rainbow toys, the group's toy subsidiary, had now pulled out of TV-related merchandise and its main product was the Diecast range of miniature vehicles.

MR NICHOLAS Ridley, the Trade and Industry Secretary, yesterday placed severe restrictions on several blocks of to take action. shares in Consolidated Gold

Fields, the diversified UK mining group, because his depart-ment has been unable to establish who owns them. The action was requested by the department inspectors probing dealings in Gold Fields shares before and during the

Dogs

what they have promised I believe the develop-

ment will be a success. I think people should

and ended up with nothing to show for

hostile bid by Minorco. Although a subsequent £3.5bn bid by Hanson, the UK conglomerate, succeeded this week, the inspectors are continuing their investigation into allegations of insider dealing ahead of the Minorco bid.

This is the second time the inspectors have asked the Trade and Industry Secretary

In June, the then Secretary, Lord Young, imposed restric-tions on a block of 320,000 Gold Fields shares registered in the name of Midland Bank (Overseas) on behalf of BFC Bank

(Cayman).
The latest Gold Fields shares to have restrictions imposed on them include those held by: French Bank Nominees Propri-etary (23,539 shares in London and 1,203 in Johannesburg); Indo-China Nominees South Africa (22,291 in South Africa): 81 Main Street Nominees (81,000 in Johannesburg); Standard Chartered Nominees (33,000 in London); and Nedbank Nominees (5,525 in Johannesburg).

The effect of Mr Ridley's order, under Section 445 of the 1985 Companies Act, is to impose four basic restrictions on the shares: any transfer is void; no voting rights can be exercised; they cannot take advantage of any rights issue of shares or accept a takeover offer; and they are not entitled to dividend payments or any other payment unless Gold Fields is liquidated.

The department said the imposition of the order did not necessarily imply any impro-

Smith & Nephew in good health with £64.4m

By John Ridding.

SMITH & NEPHEW, the healthcare and consumer products group, overcame difficult trading conditions in the UK to report pre-tax profits of £64.4m for the first half, an increase of 18 per cent.

The results, covering the six months to June 17, included the first contribution from loptex the US manufacturer of optical lenses, which was acquired at the end of 1988.

The inclusion of loptex helped lift sales from £267.lm to £320.7m. However, the issue of shares to finance the acquired the sales from the sales from the sales from the sales of shares to finance the acquired the sales of the sales from t sition, and the conversion of shares under the group's share option scheme, limited earn-

ings per share to an 11 per cent increase from 3.99p to 4.44p. Mr Kenneth Kemp, chairman, said that after accounting for the effects of disposals, acquisitions and weaker sterling, sales growth was 8 per

The group has suffered from spending cuts in the UK national health service. However, Mr Kemp said that "sales to UK hospitals had improved lthough pressure on volumes emained intense."

The good summer resulted in

strong sales across the whole range of Nivea and Simple skincare products, with the sale of Nivea sun-care products described as "outstanding." described as "outstanding."
The US, where Smith & Nephew has been expanding into higher value added products experienced mixed fortunes. Margins on surgeons gleves improved and pushed profits "significantly above" last year's level.

However, medical gloves at

However, medical gloves at the lower end of the range have experienced strong competition from the Far East and margins have now softened sig-nificantly. As a result, profits for the US medical products

Smith & Nephew's European operations were described as satisfactory with a strong performance coming from Richards its German business. Interest charges were up sig-nificantly during the period, rising from £1.1m to £4.7m. In addition to the purchase of loptex this reflected the costs of acquiring Albion Group, the soap and tolletries manufac-

turer, in August 1988, and the effect of higher interest rates. Interest charges are expected to fall sharply, however, once the proceeds are received from the sale of Smith & Nephew's 50 per cent stake in British Tis-sues which was announced last month. During the period, the contribution from the stake fell from £3.5m to £2.6m.

There is an interim dividend of 1.735p (1.55p). See Lex

Exceptional gain helps Jarvis advance to £2.4m

TAKING in an exceptional gain, pre-tax profits from J Jarvis Holdings were trebled in the year to March 31 1989.

Mr Harvey Bard, chairman of this construction and property group, said considerable progress was made, with turnover rising from £41.4m to £46.98m and profits from £732,000 to £1.67m. Adding an exceptional £719,000 gives £2.39m pre-tax

Exceptional credit comprised the profit on sale of Newsweek House, Slough, for £1.1m, less group reconstruction and rationalisation costs of

Mr Bard said the construc-tion side achieved further

growth in turnover, but the incidence of contract completions and various reorganisation costs led to a reduced profit contribution. The property side enjoyed an active year. There were

several acquisitions, including the Hanley Shopping Centre, and non-income producing sites development Sarnings were ahead from 6p to 8.9p. The final dividend is

1.5p for a total of 2.25p (1.6p). It is proposed to alter the year-end to December 31, so the current accounts will cover nine months, and also to change the company's name to Jarvis.

Emess acquires Dutch company By Clay Harris

Emess, the lighting and electrical accessories group, is continuing its continental expansion with the acquisition of Profilight, a Dutch company which aiready distributes products manufactributes products manufac-tured by Emess's Marlin sub-

Sales and profits of the pri-vately-owned group and its West German subsidiary were not disclosed, but Emess's maximum total payment, including an earn-out, will be less than £1m.

Profilight specialises in the manufacture of fittings designed for individual contracts, relying on Marlin to supply a fuller range of prod-

Leisure Investments Nash chairman in acquisition deal By John Thornhill

Mr Andrew Holland, who in May became chairman of Nash Industries, the packaging, angineering, and property group, is to increase his holding in the company from 9.3 per cent to 24.9 per cent by means of an acquisition deal.

Minevent, Mr Holland's wholly-owned property com-pany, is to be sold to Nash for about £4m.

The consideration will be

Nash shares at an average price of 225p - representing a premittm of 18p over Nash's share price on Wednesday. This will bring Mr Holland's total holding in Nash to 24.9 disposal nets £14.6m By Edward Sussman to zero.

LEISURE Investments, the

casino, racecourse, pubs and restaurant owner, yesterday continued a series of disposals stemming from its £170m acquisition last year of Lan-dleisure, by selling the Hotel Burstin in Folkestone for It plans to use the proceeds

from the hotel sale and other properties to reduce borrowing. ofs to sell all of overseas operations.

in total consideration from dis-

Analysts expect the group to realise property-related profits of about £20m, with interest charges around £12m.

Yesterday's sale was 29.66m above the Hotel Burstin's net asset value at December 31. In the final eight months of 1988 it made a pre-tax profit of £883,000.

Mr Nazmu Virani, Control run, the waterfront hotel could Mr Stephen Forsyth, Leisura earn £2.5m a year. He expects chairman, said the group to develop conference and expects to raise £100m to £180m apartment facilities on the site to develop conference and apartment facilities on the site within the next year. The 485posals over the next six room facility will be the hig-months to a year. If the plan is gest of Control Securities' 11 successful, it could gear down hotels.

Rotork expands 19% to £2.7m

ROTORK, the Bath-based valve control manufacturer, raised pre-tax profits by 19 per cent from £2.8m to £2.74m in the six months to June 30, greatly helped by a strong perfor-mance from its Rotork Actuation subsidiary.

Rotork Actuation, an actuated valve manufacturer which represents the bulk of the group, lifted turnover by 26 per cent and operating profits by 36 per cent. Rotork said the rise was attributable to strong demand in the UK water and waste treatment businesses,

and increasing success in win-ning business in international oil and power generation mar-

An encouraging performance was also recorded by Protech Instruments, Rotork said, as it benefited from the completion of internal reorganisation.

The Hone analyser business, purchased in January, has been integrated with Rotork's Ludlam Sysco subsidiary.

Mr Tom Eassie, chief executive, said the short term order book was stronger and the company was looking for fur-

ther progress in the remainder of the year. Group turnover was ahead 7

per cent at £18.4m (£17.16m). The interim dividend is raised to 3.5p (3.25p) payable from earnings per share of 5.9p (5p). There has been some bid speculation surrounding Rotork since Control Techniques, the Welsh-based manufacturer of electronic variable speed drives, built up a 2.5 per cent stake. Rotork's share price has risen sharply this month and yesterday climbed again to

193p, up 10p on the day.

Shrewd financier retains faith in the trader's credo

William Simon has been touted as a buyer for Farmers. Anatole Kaletsky expresses scepticism

Totat Total Current Date of payment payment last year .qty 3.65* 13.5 Bullers Chieftain Group§... 0.5 10.8 Compco_. 1.8† 1.3 0.8 Epwin Group § 5.25 2.61 Frest Group . Hickson inti . Oct 20 Independent News ...int 2.25 Jarvis (J) Oct 26 Smith & Nephewint 1.735 Dividends shown pence per share net except where otherwise stated.

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bereby announce that: Following the adoption of the scheme of amalgamation of Target Pacific Fund with Target Japan Fund, (now known as Target Japan and General Fund) the former holders of Target Pacific Fund will receive the following allocation of units in Target Japan and General Fund for each unit held at 7th August 1989:

Target Pacific Fund Income Units - 0.8977904458 of an Income Unit

Target Pacific Fund Accumulation Units - 1.1137054568 Income Units.

Allocations will be made to the nearest thousandth of a unit. Certificates in respect of the new holdings in Target Japan and General Fund will be despatched in due course. E ARE way overdue for a recession. And what's going to happen to all the leveraged buyout companies that are betting their lives on lower interest. their lives on lower interest rates and continued prosperity? The first recession is going to knock a bunch of those out of the box. I've been selling my companies, and basically I've

liquefied about 80 per cent

worth. I'm close enough to the top of the market." These may be unexpected sentiments for someone who has just emerged as a celebrity investor in Sir James Goldsmith's bid for BAT Industries, the second biggest leveraged takeover ever attempted. But Mr William Simon, the former US Treasury Secretary, former bond trader and present master of the leveraged buy-out game, wrote these words only

the financial outlook for Fortune magazine. Mr Simon said earlier this week that he "would clearly be interested" in buying the USbased Farmers insurance group as part of BAT's prospective carve-up. But this seems unlikely to be the role scripted for him by Sir James.

a month ago in an article on

1974-76 Ford Administration. "I seem to be the kind of opportuwas the guy who caused the lines at gas stations," he recalls merrily. But on Wall Street he has a very different, and more awe-

man whose ability to spot a bargain is equalled only by his zeal to pay the lowest possible price for it. Thus even if Mr Simon and the partners in DP Holdings, his West Coast financial group, could raise the billions of dollars required to buy Farmers
- and this is by no means

certain - he would be an

inspiring, reputation - as a

unlikely buyer. Mr Simon, who was travelling yesterday and unavailable for comment, is not the kind ofman who pays top dollars for a business whose price has already been bid up above all previous expectations, in this case by BAT's own acquisition of Farmers for \$5.2bn last year. He has often said that he

wants to buy financial institutions now so as to use their leverage to pick up the many spectacular investment bargains that will become available after the next recession. But having started as a bond trader, Mr Simon remains a Mr Simon may be best trader at heart. He clearly still known around the world as the believes in the trader's credo

nity that Farmers will provide. Mr Simon, who started on Wall Street in 1952 with a \$75a-week trading job, has a net worth estimated by Forbes Magazine last year at \$290m. But his financial activities in the last few years have demon-strated that he has no inten-tion of putting his fortune at

risk by overpaying for acquisi-

tions. Perhaps his caution stems from the his experience in the stockmarket crash of the mid-1970s. He was in Washington and had to place in a blind trust the 55m he had salted away from his days as head of bond trading at Salomon Brothers. By the time he left government, he had lost half

Mr Simon made a small fortune anew in the late 1970s through straightforward stock and bond speculation. He turned his small fortune into a large one from 1982 onwards. when he became one of the pioneers of the still obscure LBO

In his first and most celebrated LBO, Mr Simon and his partner, Mr Ray Chambers, put together \$1m of equity and almost \$80m of debt to buy Gibson Greeting Cards from ill-fated Treasury Secretary - buy at the bottom, sell at RCA. Two years later they and "energy czar" in the the top. And that does not floated the company on the

The state of the s



William Simon: close enough to the top of the market

stock market for \$300m, each realising a net gain of \$70m on a personal investment of With the Gibson trlumph

behind them, the two partners went on to perform a number of other successful mediumsized LBOs, including Anchor Glass Containers, Permian Companies, an oll distributor, and Wilson Sporting Goods. None of these attracted the same amount of publicity as Gibson – or made as much money. But by the mid-1980s Mr Simon had established himself as one of the shrewdest

financiers on Wall Street, although some of his detrac-tors cavilled that it was Mr Chambers, rather than Mr Simon, who had come up with most of their successful ideas and deals.
In 1987, the two parted com-

into an area where his political connections, as well as his nose for a bargain, could come With Mr Preston Martin, the former vice-chairman of the Federal Reserve Board, and Mr

pany and Mr Simon moved

Gerald Parsky, a Los Angeles attorney who had also worked in the Ford Administration, Mr Simon set about buying savings and loan institutions along the Pacific coast.

Their business started builty Their business started brilliantly, with the acquisition of several S&Ls in Hawaii, just after the regulators and finan-cial markets had become terrified by the apparent glut of real estate on the islands and just before a flood of Japanese

investment money unleashed one of the biggest property booms the state had ever seen. The partnership went on to acquire a number of S&Ls in California, shrewdly combining solvent institutions with failed ones and thereby securing government fluancial support and tax concessions for both groups. But Mr Simon's largest

single acquisition in this buying spree required an invest-ment of only \$225m. And even the \$500m or so Mr Simon was thought to have offered in its unsuccessful hid for California's largest S&L.

the bankrupt Financial Corpo-ration of America, was a far cry from the many billions he would require to buy Farmers Group.
Thus if Mr Simon did take part in a bid for Farmers, it would probably be as a facilita-tor on behalf of a much larger partner, most likely an insurance company from Europe or Japan. In this role, Mr Simon's political and business connections, both in Washington and in the West Coast states where Farmers does most of its busi-

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THE PROPERTY MARKET

Japan builds up London portfolio

Paul Cheeseright reports on the growing number of Japanese purchases in central London

apanese influence in the long term. Its purchase under-central London market pins the contention of Weathhas been growing steadily and is likely to increase. Arguably the main source of this influence will not be the property and construction groups, as in the past, but the life com-

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good

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is compa

i.om

There is a foretaste of this in the purchase this week by Asan Life of Legal & General's leasehold interest in Leadenhall Court, a City building, for £118.75m. This is Asahi Life's first European property pur-

The yield works out at 4.7 per cent, but Asahi cannot expect much growth in the building's value over the short term. For a start, the building was only let last March - to Sun Alliance - so the next review is more than four years away. Further, the rent at £70 a square foot is so high that a big rise can probably be ruled

So Asahi, as is the Japanese wont, is clearly buying for the pins the contention of Weatherall, Green & Smith that "Japanese investment is the market

During the first half of the year, Savills calculated that £2.48bn had been invested in the central London market compared with £2.47bn for the whole of 1988. Of that £2.48bn, Japanese money accounted for £1bn. Putting that in perspective, Japanese investment was twice as much as the investment from all sources in the central London market five

There is now a growing feeling that what has happened in the US, where Japanese buying has mopped up prime buildings in big centres, is starting to

Year to Dec 88

as the entry point to this wider

Stuart Reid, who studies the investment pattern of the Japa-nese life companies from the Weatherall Green & Smith office in Tokyo, anticipates that the nine largest life companies could spend £700m in London this year.

His calculations come down to the weight-of-money argu-ment. "The revenues of the investing institutions are expanding in excess of 20 per cent a year." Some money has been finding its way into the US real estate market. The excess is likely to come to Europe. What is happening now is that two years of research into the market is

Rental value growth (%)

22.4 1.8

industrial

coming to fruition. The top four life companies are Nippon Life, Daichi, Sumitomo and Meiji, which probatomo and Meiji, which wh bly have up to \$1bn each available for property investment. These four are followed by Asahi, Mitsui, Taiyo — which is not active internationally — Yasuda, Chiyoda and Toho. It has taken the Japanese life companies about eight years to build up their US portfolios. Burnley

ONE TOWN where there will build up their US portfolios. be no Japanese property But the European markets are investment is Burnley. It is tighter. The amount of stock is doubtful whether Japanese smaller. The process of buying may well happen more quickly investment managers have ever heard of Burnley. There is no reason why they should

Once the purchase has been made, the property is, to all intents and purposes, off the market for good. "If you speak to any senior members of the But Burnley is a manufac-turing town where property values have been affected by the growth in the economy life companies and ask how they sell a building, they clam up, squirm a little, and then say they have never sold one," and massaged by the spread of the motorway network. Yet its property is for working in. The retail sector apart, it is not an said Mr Reid. The implications investment play for outsiders. for the market are consider-There are exceptions. Office buildings have changed hands at auctions — the latest, Safeable. "One reason they can buy at aggressive yields is because

they are not looking for an exit yield," he noted. But this buying is likely to of over 12 per cent, an inter-esting contrast to Leadenball be highly selective. Japanese buying in the US has concen-Court. As Brent Forbes of H.W. Petty, chartered surveytrated on the major centres. It has concentrated on prime ors in Burnley, commented: The growth prospects are limited, so you need a high office buildings. So the pressure will be on London, Paris and Frankfurt. return; you're not going to get it at the first rent review."

All Property

20.4

Investment possibilities are limited in the town centre simply by virtue of the fact that there has been hardly any new developments since the 1960s when 10 acres were flattened and redeveloped. But office demand has not been pressing: the growth of the services sec-tor in Burnley has been slower than the national average. In any case, sites for new

offices in the tight town centre are scarce and latterly there on refurbishment. But there are few quality premises available for leasing, save the Anvic Construction conversion of an old mill, Lodge House, where rents will be £7.00-£8.00 way House, was sold on a yield a square foot. Rents across all sectors

reflect distance from Manches-ter. Just as rents down the M4 don, so they diminish north from Manchester. In Burnley, in the favoured conditions of the enterprise zone, there is evidence of willingness to pay £3.00-£3.15, but less outside.

Indeed, industrial rents, according to the Burnley and Pendle Development Association, start from 50p a square foot for premises built before 1945, often in old textile mills. But, just as elsewhere in

M6 to Scotland 20 miles 32 km BURNLEY Bradford Leeds M62 M66 Manchester Liverpoo! Mτ M1 to M6 to London Birminghar

Britain over the last two years, there has been a rise in the market. Two years ago, in the enterprise zone, rents were

less than £2.00. Still, rents of around £3.00 would scarcely seem a spur to new development. But, said Mr Forbes, "developers can afford £3.00 a square foot because in the first instance they bought the land cheaply."

On the enterprise zone, where virtually all new industrial property development has concentrated, all the land has been taken up and there has

not been a transaction for a couple of years, when prices ran up to £30,000 an acre. This is less than a third of the price for recent deals at another, better situated enterprise zone in neighbouring Pendle.

Smaller units throughout the town have been taken up by local business, but the larger units - 20,000 square feet and more - have been taken up by new businesses. Burnley is a modestly successful competitor in the inward investment race. But so far the Japanese have passed it by.

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SHARE CAPITAL INCREASE

The Board of Directors of BANCO BILBAO, VIZCAYA S.A. meeting on 27 July 1989, has resolved to effect an increase in the Bank's share capital from 91 billion to 121.3 billion pesetas, by means of an increase in the nominal value of the 121,333,334 ordinary shares in issue which accordingly rises from 750 to 1000 pesetas each.

This increase which is charged in its entirety to reserves, takes effect as from 1 August 1989.

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Sept 22 Oct 27

There is a minor investment

market in enterprise zone

properties. At the Rossendale Road industrial estate, Trans

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FINANCIALTIMES

CONTRACTS & TENDERS

SIPERTRAIN

SOUTH YORKSHIRE LIGHT RAIL TRANSIT OPERATION AND MAINTENANCE REGISTRATION OF INTEREST

South Yorkshire Passenger Transport Executive has obtained Parliamentary powers for the design, construction and operation of the first line of the proposed South Yorkshire **Light Rail Transit System – 'Supertram'.**

Line 1 of the proposed network will link the districts of Hillsborough, to the north of the City of Sheffield, and Mosborough, a new township on the south of the City, via the City Centre area, it will involve 22 route-km of new railway, including approximately 50% to be constructed as tramway. No existing railway rights-of-way will be used. The Transport Executive has recently been awarded grant funding towards the development costs for Line 1 including the seeking of tenders for design and

construction. It is intended that operation and maintenance will be subject to separate competitive operating agreements. Accordingly interested experienced organisations are invited to register their interest in future tendering processes.

This registration will enable qualification and potential forms of involvement for the following areas of activity to be explored:-

OPERATION OF THE SYSTEM

MAINTENANCE OF THE ROLLING STOCK

MAINTENANCE OF CIVIL ENGINEERING STRUCTURES AND BUILDINGS MAINTENANCE OF PLATFORMS.

SHELTERS AND LIGHTING

MAINTENANCE OF TRACK

TELECOMMUNICATIONS MAINTENANCE OF POWER SUPPLY AND DISTRIBUTION, INCLUDING OVERHEAD LINE EQUIPMENT

MAINTENANCE OF SIGNALLING AND

MAINTENANCE OF LANDSCAPING

This invitation has also been advertised through the medium of the Official Journal of the European Communities.

Initial registrations of interest (specifying area/s of activity ath) should be made by 9th October 1989 to T.D.I Hoskison, Secretary to the Transport Executive.



EXECUTIVE

EXCHANGE STREET, SHEFFIELD S2 5SZ, ENGLAND. TELEPHONE: 0742 768688 FAX: 0742 759908 TELEX: SYPTEX @ 547825

COMMODITIES AND AGRICULTURE

US crop report may show fall in cotton

THE US Agriculture Department's latest crop report, due for release last night, was expected to project a further drop in 1988-89 US cotton output as a result of adverse weather - too wet in some growing areas and too dry in others, reports Reuter from Washington.

The maize, wheat and soya-bean trade were also anxiously

awaiting the report's new production and carryover stocks figures, which could influence market prices and US policy. Marginally higher acreage fig-ures for maize and soyabeans are expected in the report, the first based on field surveys and regarded as the most reliable

of the year. Mr Dean Ethridge, the National Cotton Council's chief economist, said he expected cotton output to be projected below last month's initial estimate of 12m bales (480 lbs 1987-88 production of 14.76m

"If the figure goes well below
12m, it will put upward pressure on prices," he said.
Cotton analysts were expecting an output figure of
between 11.40m and 11.60m

"The production figures are also important because cotton production in China and the Soviet Union is also declining." Mr Ethridge said.

Maize traders expected this season's US crop to be pro-jected at between 7.29bn bushels and 7.76bn bushels, averag-ing around the July estimate of 7.43bn, but well above the drought-stunted final output of

4.9bn bushels in 1988-89. Particular interest was focused on the USDA's projection of 1989-90 maize end of sea-son stocks, said Mr Mike Hall, Washington representative of the National Corn Growers' Association.

The Agriculture Department would be required to raise the 1990-91 corn acreage reduction programme to at least 12.5 per cent from the current 10 per cent if carryover stocks were likely to exceed 2bn bushels.

Most analysts expect the maize stocks figure to be between 1.90bn and 2.05bn Wheat trade sources expect

the estimate of all wheat output to fall no lower than 1.95bn bushels from the 2.12bn bushels forecast in July.

"Any fall in all wheat production may be attributed to

deterioration in the spring wheat crop in the northextremely dry weather," said a USDA analyst.

Soyabean output figures are expected at between 1.9bn and 2.01bn bushels in the report. close to the 1.95bn bushels esti-

Harnessing farming profits to high street power

Bridget Bloom visits a fenland production unit preparing ready-made salads for the multiple stores

FAINT smell of curry wafted across the fen, an incongruous accompaniment to the flat acres of wheat, potatoes, carrots and onions for which this part of Lincolneking is known Lincolnshire is known.

The explanation for the

The explanation for the smell lay in long, low buildings at the end of the farm drive: Henry Tinsley, farmer of 5,000 acres at Holbeach St Mark's, is adding value to his traditional occupation by preparing fresh foods for high street retailers: to coleslaws and potato salads has recently been added vegetable curry. table curry.
Mr Tinsley is by no stretch

of the imagination a typical British farmer: his holding, in the family for several generations, is much bigger than most and so, thanks to his decision to diversify his business, is his turnover. £40m this year, and growing fast.

Yet he well illustrates one of the key changes in Britain's food and farming industries over the past decade or so, brought about principally by the increasing power of the multiple retailers but also by farmers' own search for

greater profit.
In the fresh produce sector at least, the days are long gone when farmers produced their vegetables, salad or fruit for the wholesale market and a multitude of retailers or their agents bought their supplies

Today the £32bn food market is dominated by the multiple retailers — Sainsbury, Tesco, Argyll (Safeway/Presto). Gateway and Asda together account for more than 60 per cent of that total. The intense competition between the groups, together with increasing consumer demand for more varied food, has led retailers to deal directly with producers. The resulting relationship,

often tense and viewed as frustrating by farmers, is at the heart of today's retail trade in fresh produce as well as in the increasingly popular field of ready-prepared and so called



cook-chill foods. Tinsley Foods – the farming business is now financially separate from the "added value" operation – is one of the biggest suppliers of fresh and prepared produce to the multiples, typical in its development of the largest suppliers today. The Tinsley farm started as a traditional operation, princi-

pally growing wheat and pota-toes. Its direct dealings with the big retailers began in the mid-1960s when it started supplying carrots, parsnips and onions to Marks and Spencer.

"By the mid 1970s our whole business was turning over fam," says Henry Tinsley, who took over as managing director in 1982. "The major growth has been in the last five or six years, with the burgeoning

demand for prepared foods."

There are perhaps a dozen other suppliers in a similar league to Mr Tinsley, if mostly with smaller turnover. Kent Salads, for example, runs on the estate of Lord Northbourne and with a turnover last year of about £12m compared with £2.5m in 1982, grows iceberg lettuces and has diversified into growing, importing and preparing exotic salads such

as lollo lettuce or frisee. In a different sector, Scotbeef is a company involved, with farmers, in breeding, rearing and fattening a new type of pig for fresh pork for Marks and

Spencer.

Between them, according to Food from Britain, the government sponsored food promotion body, these companies, together with about a dozen large marketing co-operatives, furnish perhaps 45 per cent of the domestic fresh produce going to the multiples.

However, while it might

seem otherwise, the experience of Mr Tinsley and others like him is almost certainly not the answer for the general run of farmers now suffering from the downturn in fortunes as EC subsidies and farm budgets are cut back.
As Ross McLaren, director of

produce at Sainsbury, puts it, the principal reason for this is that an operation of Tinsley's proportions demands the sort of management resources and skills which very few farmers can provide.

Mr McLaren, and his opposite number at M & S, Dr Tom

Clayton, both acknowledge that dealing with the multiples

is a tough business. None of them has formal contracts with their suppliers, and very rarely invest anything in the supply ing company, even when exclusivity of supply is demanded. (The most they admit to is the payment of occasional small sums for research or for trials of new products.)

Whatever the preduct, the pattern followed is similar.

"Programmes" of supply are

"Programmes" of supply are established between retailer and supplier which, Mr McLaren maintains, are as good as contracts for "they're like gold for the bank man-ager." Then the supplier ager." Then the supplier grows, imports or otherwise produces his raw materials and packs, prices and delivers his product. He is paid only after

Against the background of increasing competition in the retailing business, the major advantage of such a system for the retailer is obvious. As Ross McLaren points out: "We long ago stopped buying most of our supplies on the wholesale mar-bat because a direct valetion. ket because a direct relation-ship with the supplier gives us the three vital things we need: the ability to determine the product's quality, its availabilThis degree of control also enables the multiples to "audit the trail" of a product, Mr McLaren says, pointing out that in the recent scare over the use of Alar, the growth regulator, on apples, the company could check back with its suppliers on whether the suspect product had been used with a speed that would have been unheard of if we were still buying all our apples on the whole-sale market."

ity and consistency of supply.

sale market."

M & S, traditionally not a food store but which has led the way in prepared foods; has developed its own controls over the last 20 years to the point where every element in the ultimate product is supervised. The controls cover the quality of the raw material, including pesticides used on cross or the composition of an crops or the composition of an animal's feed and its means of slaughter to the construction and hygiene of food factories, where staff are even stool-

The bigger suppliers can

cope with these controls and indeed acknowledge that with-out the input of technical expertise on a continuing basis they would not be where they are today. They tend to use the same image: "it grows to be like a marriage," says Henry Tinsley. "Trust is vital but con-flict is sometimes inevitable." Others baulk at the controls,

Others hank at the controls, however, and dislike what has been termed the "fear factor" in the relationship. One Norfolk farmer, supplying fresh but graded and packed produce to a range of multiples, spoke angrily of the "trickery" of one retailing grant He had been retailing group. He had been persuaded to install new grading machines to increase his income from carrots, "only to find that the company drove the price down again as soon as the machines were in work-

Another farmer spoke of the lack of flexibility: "Our driver only has to be an hour late and his truck-load of produce can be rejected. Yet they'll happily. keep us waiting for three hours without even considering com-A dairy farmer seeking to

A dairy farmer seeking to diversify said at first he was "outraged" at the demands made on his company in the year before it was accepted as an M & S supplier. "They put everything, from the Formica worktops to all our managers under the microscope before we were pronounced OK," he said though he accepted that ultimately such scrutiny had proved helpful to the company's efficiency.

There is much grumbling

There is much-grambling among farmer suppliers, too, at the demand by some retailers (though not, apparently, either M & S or Sainsbury) for what are known as over-riders: a type of commission demanded by the buyers of multiples as their orders increase in value. However, in spite of much talk in farming circles of the cut-throat nature of the business, and of resultant farmer bankruptcies, actual examples of such extremity are hard to

Those suppliers who have succeeded in dealing with the multiples and as a result now have a secure and profitable market, have done so princi-pally because of good manage-ment, including the ability to spread their range of customers, with none accounting for more than about 40 per cent of

turnover.

The general expectation is that they will get bigger, and probably fewer, as the competition between the multiples themselves intensifies over the next few years.

It seems that the average farmer, though he can certainly increase his market opportunities by combining

opportunities by combining with others to sell his produce, will have to look elsewhere to make good the profits no longer available from traditional, subsidised farming. Other articles on the supplie

retailer relationship appeared on this page on May 25 and June 22

fish farming under threat from algae

Norwegian

By Karen Fossii in Oslo

A DEADLY signe, which may have blossomed because of high rainfall this summer. threatens to wipe out the fish-farming community on Nor-

way's west coast.
A group of Norwegian experts is currently working to experts is currently working to determine the origin and effects of the algae, primatesium purum. They are not sure whether it kills by suffocation or through toxicity.

Already 400 tonnes of salmon have either died or been slaughtered because of exposure to the algae.

In May last year a different algae species, chrysochronuling policysis, made its way from the Baltic Sea to the coastal streams of Norway's south and west coasts.

west coasts.
Although the symptoms of both algae are similar, the

experts have so far determined that they have no common ori-

During last year's outbreak, sea cages had to be towed into fjord areas to avoid the algae. However, this year's algae has originated in Gords near Sauda, north of Stavanger. The Sauda, north of Stavanger. The flords are very narrow and deep, and it may be easy to prevent the algae from spreading, at the expense of the farms in that locality.

The experts also suggest that the algae may have blossomed because of high concentrations.

because of high concentrations of calcium and magnesium in the water, although they believe it will be days before they can determine the cause of the problem.

This year Norwey is forecast

of the problem.

This year Norway is forecast to produce some 80,000 to 90,000 to mes of farmed salmon. Last year the industry farmed 70,000 tonnes worth NKr3hm (£267m).

Chief US coffee negotiator is replaced

MR JON Rosenbaum is being replaced as the chief US coffee negotiator, but the move does not signal a shift in US coffee policy, officials at the US trade representative's office said, reports Reuter from Washing-

Mr Rosenbaum will leave his position as assistant US trade representative for Latin Amerca, the Caribbean and Africa on September 1 and will be replaced by Mr James Murphy, who is currently assistant US and the Mediterranean, the officials said.

US efforts to overhaul the export quota accord that until last month governed world colfee trade.

EFFORTS TO develop a coherent "structures" policy such as the set-aside scheme the rural infrastructure. Another failing has been the lands, and land improvements for arable farmers and the

Funds shortage 'hampers development of EC agriculture policy'

WORLD COMMODITIES PRICES

By Tim Dickson in Brussels

for European agriculture have traditionally been hampered by the relatively small sums of money left in the kitty after the bloated cost of price sup-

port has been met from Community coffers.

For example, about 95 percent of FEOGA – the French language acronym for the EC's devoted to supporting produc-tion via subsidies, storage aid and other market controls. Only 5 per cent is spent on measures to develop and modernise agriculture, improve productivity, and strengthen

No doubt conscious that the pendulum may be starting to swing the other way the World Wide Fund for Nature (for-merly the World Wildlife Fund) has just published a discussion paper* on the Common Agri-cultural Policy and the envi-ronment in which the impact of the CAP's "structural" dimension is put under the

Besides listing various strictures about the adverse environmental impact of current schemes - and urging others to campaign for a "greener" input into new measures - the paper provides a useful sum-

ON METAL EXCHAN

mary of the development of the CAP in this area and highlights the incoherence of some past thinking on the issue. In a section on "failings and drawbacks," for instance, it points out that because of the tiny proportion of overall funds devoted to structures policies they "have been inef-

fective in the very difficult task of closing the gap between

Average farm incomes in the Paris basin region are now six times those in the poorest parts of Italy and Greece, and the gulf between the richest and poorest farmers is greater

fragmentation of policy: the range of schemes "has expan-ded without much regard to an overall plan and sometimes new initiatives replicate the weaknesses of earlier efforts. . Many schemes still encourage farmers to invest more in their holdings and increase their efficiency and output at a time when the or cut back most types of pro-

duction," Among subsidies which can be detrimental to the environment, the Fund lists irrigation schemes which draw down water levels and dry out wet-

US MARKETS

such as the ploughing and re-seeding of pasture, which may increase agricultural produc-tivity in the right conditions but which may also result in a loss of habitat. The paper welcomes the 1987 regulation which provided side for farmers in symptomentally sensitive areas — an annual

payment per hectare can be areas" who adhere to appropriate farming methods, as defined by individual member states, for at least five years but says "very little money" has so far be n earmarked.

On recent developments

to reduce their output of sur-plus products, the paper points out that "millions of hectares could be affected before the end of the century."

"It is vital that environment. tal interests have a voice in the design of the new policies and that opportunities for promoting environmentally sensitive

farming and new wildlife habi-

extensification measure which

rewards producers who agree

tat are recognised and made use of.' *Available free from WWF International, CH-1196 Gland, Switzerland.

Mr Rosenbaum has headed

LONDON MARKETS

LONDON METAL Exchange zinc prices climbed to 4-month highs yesterday as concern about a Peruvian miners' prompted a wave of short-covering. The cash price for high grade metal closed at \$1,692,50 a tonne, up \$60 on the day. Nickel also put in a firmer performancce, although values were trimmed near the close as buying was constrained by chart-based resistance Nevertheless the cash price on the LME ended \$475 up at \$13,150 a tonne Coffee prices slid back towards recent lows as Brazilian exporters who had been holding back earlier in the week, went on what dealers described as "another selling spree." Trade selling was also reported as the November position on the Landon futures market dipped to £753 a tonne at one stage before ending the day \$16 down on balance at £762 a tonne.

SPOT MARKETS

Crude oil (per barrel FOB)		+ 01 -
Dubai	\$15.00-5.102	
Brent Blend		-0.05
W.T.I. (1 pm est)	\$18.65-8.702	+0.45
Oil products (NWE prompt delivery per to	nne CIF)	+ or -
Promium Gasoline	\$185-197	+5
Gan Oil	\$153-155	+3.5
Heavy Fuel Oil	\$84-85	+3.5
Naphtha	\$151-152	+ 1.5
Petroleum Argus Estimatos		
Other		+ or -
Gold (per troy oz)-	\$386.25	+ 0.75
Silver (per tray azide	516c	-1
Platinum (per troy oz)	\$486.5	+6.0
Palladium (per troy oz)	\$136.35	+ 1.10
Aluminium (free market)	\$1778	+25
Cooper (US Producer)	11554-117	-212
Lead (US Producer)	39.5c	-
Nickel (Ince market)	610c	+25
Tin (Kuala Lumpur markot)		-0.07
Tin (New York)	414.5	-10.0
Zinc (US Prime Western)	823 _c	+ 34
Cattle (live weight)†	117.14p	-0.65
Sheop (dead weight)†	150.34p	-4.15"
Pigs (live weight)?	92.33p	+5.86*
London daily sugar (raw)	\$353,11	+3.2
London daily sugar (white)		+2.5
Tato and Lyle export price		+0.5
Barley (English feed)	£104	
Maize (US No. 3 yellow)	£130.75	+0.25
Wheat (US Dark Northern)	£123.25t	+0.75
Rubber (spot) 🛡	56.25o	-0.75
Rubber (Sop)♥	58.750	-0.75
Rubber (Oct)♥	59.25p	-0.75
Rubber (KL RSS No 1 Sep)		
Coconut all (Philippines)§	5475t	
Palm Oil (Mataysian)§	\$300v	
Leint All Juagassenija		

c-cents/lb, r-ringgit/kg, y-Oct/Dec. z-Sep. x-Jul/ Aug. t-Aug/Sop. v-Sep/Oct. w-Oct/Meat Comon average tatatock prices. " change from a week ago. \Understand London physical market. \CiF Rotterdam. • Buillen market close, m-Malay-sian cents/kg.

coco	£/tonne		
	Close	Previous	High/Low
Sep	868	870	873 862
Dec	928	928	934 920
Mar	899	897	901 891
May	904	902	906 896
Jul Sep	916 929	915 928	916 912 930 923
Dec Dec	950	949	950 943
ICCO in	ndicator P	rices (SDR 1070.75 (10)	f 10 tonnes is per tonne). C 76.45) :10 day s
age for	ינ עד פעא	069.12 (107	0.02)
CUPH	E E/tonne		
	Close	Previous	High/Low
Sep Nov	753 ^ 762	764 778	762 747 771 753
Jan	780	796	789 771
Mar	797	813	809 790
May	822	834	828 814
Jul	848	860	849 847
SUÇAI	.84 (72.24) 3 (\$ per to		
Raw	Close	Previous	High/Low
Oct	308.60	312.60 302.00	314.80 308.00 299.00
Dec Mar	297.00 288.40	291.60	294.00 288.00
May	283.20	287.00	289.00 283.20
Aug	277.00		280.00
<u> </u>	270.00	272.20	275.00 274.80
White	Close	Previous	High/Low
Oct Dec	411.00 375.50	413.00	415.00 411.00 377.00 374.00
Mar	361.00	364.30	366.00 360.00
May	358.00	361.30	363.00 359.00
Oct	352.50	357.30	355.00
White 1 Paris- 1	1071 (518). Molte (FFr	per tonne):)lots of 50 ton Oct 2537, Dec 2 292, Oct 2245.
CRUDI	OIL \$/ba	rrel	
	Close		us High/Low
Sep	16.97	16.62	16.99 16.70
Oct	16.88		16.95 16.78
Nov	16.82 lez 16.56		16.90 16.72
Turnov	er: 8902 (5		
	o:		
	H Ellense		
	4. S/tonne	Denila:	Lilabet and
	Close	Previous	High/Low 150.75 149.00

White	Close	Previous	High/Low
Oct	411.00	413.00	416.00 411.00
Dec	375.50		377.00 374.00
Mar	361.00	364.30	366.00 360.00
May	358.00	361.30	363.00 359.00
Oct	352.50	357,30	355.00
White 1 Paris- V	071 (518). Valte (FFr	per tonne):	lots of 50 tonne Oct 2637, Dec 239
Mar 232	20, May 2	302, Aug 2	292, Oct 2245.
CRUDE	OIL \$/ba	rrel	
	Close	Previo	us High/Low
Sep	16.97		16.99 16.70
Oct	16.88		16.95 16.78
Nov	16.82		18.90 16.72
IPE Indi	ez 16,56	16.48	
Turnove	er: 8902 (5	380)	
GV2 OI	L S/tonne		
	Close	Previous	High/Low
Sep	150.00	148 25	150.75 149.00
Oct	150.00	149.00	151.00 148.50
Nov	150.00	148.75	150.75 149.50
Dec	150.50	149.75	151.50 150.50
Jan	149.00	148.00	150.00 149.00
Feb	147.00	144.50	147.00
Mar	148.25		148.25 145.00
Apr	144.50	142.25	144,50
Turnove	or 8833 (6	(53)lots of	100 tonnes
PRUT	L V AEGE	TABLES	
HOME	GROWN E	SCOVERY	apples are now
l avana	010 at 35-4	50 a lb. re	norte FEVIR The
new s	esson for	Bramkov co	solone socies has
i also s	larted at 3	0–450 a lb.	Homegrows
i musa	no asa nev	w arrival et	: 15-25a a Da.
Home	grown and	French R	veetcom are now
in full	season at	20-350 e II	b (25-40p) and the
prices	Of Dead 3	5-550 a th	broad beans
30-50r	a lb and		t 30-55p each are
all str	bie Salad	Oricos son	Tain stable with
CUCIIT	ibors of Al	1.750 accs	watercress
30-40-	a bunch	tometre:	30-50p q lb and
Kaba	ra lottura	at 50-90p e	one off
uncha	annd	ar anniarity G	efit ili
Luncha	anned	G	upr DII

						· ·	Ring turn		Interest 450 tonne			ALS, the	preciou	s metak
Manufact	um, 99.7	%, purity (\$	për tomite)								Hetless			
ash	1784		752-4		1771-2								led in a	
monti			767-8	1782/1765		1781	-3	31,07	é lots			ting quiet		
pper,	, Grade A	(£ per ton	16)			R	ng turno	wer 20,	750 tonne			ahead o el Burnh		
ssh	1613		600-1	1604/1603			_					il es the		
month	ns 1600	<u>-1</u> 1	594-6 	1603/1585	1592-3	1603	-5	72,82	i lots			oport. Co		
ađ (£	per tonn	e)				- 1	ling turn	over 4,	200 tonne			uying. C		
ish	430-4		34-6 26-7	429 429/422	428-9 422-3	428-		10,40				rally as		
month			20-1	44042	462-3	-440-						ossible s		
	\$ per ton		0000 700	400507400	FD 40040 FF		ring w	IIIOVOT -	480 tonne			orts of p		
ish monti			2650-700 1900-50	13250/129 12200/120			0-200	5.429	lots	buyin	g in the	London	gas oil	helped
	er tonne)						ting turn		595 tonne	punt	he proc	lucts high I reports	er. Con	ee teil
sh			240-50	9000/8970	8970-80							etureles		
nonti			290-300	9270/9020		9070	-80	5,426	lots			trade and		
ıc, Sp	ecial Hig	h Grade (\$	per tonne)			R	ng turno	ver 10,	275 tonne			elected		
sh	1695		715-8	1795/1790						railie	d as bu	y stope v	rere tou	ched-of
nonth			613-5	1662/1630	1645-50	1680	-6	11,53	lots			f trade so		
(\$)	per tonne	e)(e)				F	guð fritu	over 3,0	\$25 tonne			npiex and		
sh	1890	-5 1	630-5	1682/1860		4604						ng ahead		
nonti			557-8	1610/1580	1575-80	1600	7 0	7,526	1003			derived a		
i≝ Cla OT: 1	osing £/3 1.6265		montha: 1.60	74	6 months:	1 5875		9	ha: 1,5732			bie tende at fell in		
TATE	Close 138.0 204.5	Previous 149.0 208.8	High/Low 140.0 135.5 208.5 203.0	_	Clase Opening		2	equive 25 ¹ 4 -22 25-225 ¹	54,	mark unchi sellin	etings, inged o	ons of highlive cattle in the day terbalance prices. P	o finishe y with te ing antic	d rough chnical cipation
	r 451 (56	1) lots of 4	onnes.		Morning fix Afternoon fix	365.40 365.85	. 2	24.441 24.255	4	ciose	d rough	dy uncha	nged	
(A to	HAN ME	AL E/tonne			Day's high Day's low	366 ½-367 365 ½-360	3.	-		Ne	w Y	ork		
		Previous	High/Low		Day 0 -0	W 4 W	•	_						
													~	
	Close 120 EO									GOLD	100 poy	oz.; \$/troy		
	129.50 129.50	130.50 131.00	129.50 129.50		Colns	\$ price		equive	ient	GOLD	Close	Previous		w .
	129.50 129.50	130.50	129.50 129.50		Mapleteet	377-382	2	32-235	Jent	Aug			High/Le	_
<u> </u>	129.50 129.50	130.50 131.00	129.50 129.50		Mapleteef Britannia	377-382 377-382	2	32-235 32-235	ient	Aug Sep	Close 367.3 368.5	Previous 366.9 368.1	High/Lc 367.5 C	306.5 0
nove	129.50 129.50 f 50 (0)lo	130.50 131.00 its of 20 for	129.50 129.50 108.		Mapieleef Britannia US Eagle Angel	377-382 377-382 377-382 377-382	2 2 2	32-235 32-235 32-235 32-235		Aug Sep Oct	367.3 368.5 370.4	Previous 366.9 368.1 370.6	High/Lo 367.5 0 371.9	306.5 0 300.7
nove	129.50 129.50 r 50 (0)ko	130.50 131.00	129.50 129.50 ines.		Mapleleef Britannia US Eagle Angel Krugerrand	377-382 377-382 377-382 377-382 365-368	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	32-235 32-235 32-235 32-235 24-4-22		Aug Sep Oct Dec Feb	367.3 368.5 370.4 574.2 377.9	Previous 366.9 368.1	High/Lc 367.5 C	306.5 0
IQH	129.50 129.50 r 50 (0)ko	130.50 131.00 ns of 20 ho Previous	129.50 129.50 wes. lex point High/Low		Mapieleef Britannia US Eagle Angel	377-382 377-382 377-382 377-382	2 2 2 2 2 5	32-235 32-235 32-235 32-235		Aug Sep Oct Dec Feb Apr	367.3 368.5 370.4 374.2 377.9 381.7	Previous 366.9 368.1 370.0 373.9 377.7 361.5	367.5 0 371.0 374.9 378.2 361.5	306.5 0 369.7 373.6 377.9 381.5
DQH	129.50 129.50 r 50 (0)lo T FUTUI Close 1438 1511	130.50 131.00 nts of 20 hor residus 1440 1498	129.50 129.50 Ines. lex point High/Low 1445 1440 1515 1503		Mapleleef Britannia US Eagle Angel Krugerrand New Sov.	377-382 377-382 377-382 377-382 365-368 86-87	2 2 2 2 2 2 2 5	32-235 32-235 32-235 32-235 24-1,-22 3-53-1,	2 ¹ 2	Aug Sep Oct Dec Feb Apr Juh	367.3 368.5 370.4 374.2 377.9 361.7 365.4	Previous 366.9 368.1 370.0 873.9 377.7 381.5 385.2	367.5 0 271.0 374.9 378.2 381.5 385.9	306.5 0 309.7 373.6 377.9 381.5 386.9
DQH	129.50 129.50 r 50 (0)lo T FUTUR Close 1439 1511 1568	130.50 131.00 18 of 20 for Previous 1440 1468	129.50 129.50 wes. lex point High/Low 1445 1440 1515 1503 1585 1688		Mapleteef Britannia US Eagle Angel Krugerrand New Sov. Old Sov.	377-382 377-382 377-382 377-382 365-368 86-87 86-87	2 2 2 2 2 2 2 5	32-235 32-235 32-235 32-235 24-1,-22 3-53-1, 3-53-1,	2 ¹ 2	Aug Sep Oct Dec Feb Apr	367.3 368.5 370.4 374.2 377.9 381.7	Previous 366.9 368.1 370.0 373.9 377.7 361.5	367.5 0 371.0 374.9 378.2 361.5	306.5 0 369.7 373.6 377.9 381.5
DOM	129.50 129.50 50 (0)lo Close 1439 1511 1568 1597 1624	130.50 131.00 nts of 20 hor residus 1440 1498	129.50 129.50 129.50 Intes. ex_point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622		Mapleleaf Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat	377-382 377-382 377-382 377-382 385-368 86-87 86-87 482-35-60	2 2 2 2 2 2 2 5 5	22-235 22-235 32-235 32-235 24-1,-22 3-53-1, 8-53-1, 01.80-3	8 ¹ 2 96.35	Aug Sep Oct Dec Feb Apr Juh Aug Oct	Gloss 367.3 368.5 370.4 374.2 377.9 361.7 365.4 389.1 392.8	Previous 366.9 368.1 370.6 373.9 377.7 361.5 385.2 385.2 385.2	High/Lo 367.5 C 371.0 374.9 378.2 361.5 365.9 O	306.5 0 309.7 373.6 377.9 381.5 366.9
DQH	129.50 129.50 50 (0)lo Close 1438 1511 1568 1597 1624 1405	130.50 131.00 ns of 20 for Previous 1440 1498 1588 1590 1620	129.50 129.50 wres. (ex point Nigh/Low 1445 1440 1515 1503 1585 1668 1610 1600		Mapleleef Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Nobis Plat	377-382 377-382 377-382 377-382 365-368 86-87 36-87 492-35-50	2 2 2 2 2 2 5 5 5 5	32-235 32-235 32-235 32-235 32-44-23 3-53-4 301.80-3	8 ¹ 2 96.35	Aug Sep Oct Dec Feb Apr Juh Aug Oct	367.3 368.5 370.4 574.2 377.9 361.7 365.A 389.1 392.8	Previous 366.9 368.1 370.0 373.9 377.7 361.5 365.2 385.9 392.6	High/Lo 367.5 0 371.0 374.9 378.2 361.5 365.9 0 0	306.5 0 369.7 373.6 377.9 381.5 365.9 0
DQH	129.50 129.50 r 50 (0)lo r 50 (0)lo r FUTUR Close 1439 1511 1568 1597 1624 1405 1394	130.50 131.00 ns of 20 for Previous 1440 1498 1598 1590 1820	129.50 129.50 129.50 Intes. ex_point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622		Mapleleaf Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat	377-382 377-382 377-382 377-382 385-368 86-87 86-87 482-35-60	2 2 2 2 2 2 5 5 5 5 1 5	22-235 22-235 32-235 32-235 24-1,-22 3-53-1, 8-53-1, 01.80-3	8 ¹ 2 96.35	Aug Sep Oct Dec Feb Apt Juh Aug Oct	367.3 368.5 370.4 574.2 377.9 361.7 365.4 389.1 392.8 EUM 50 t	966.9 368.1 370.0 373.9 377.7 361.5 385.2 385.2 385.2 392.6 Yoy oz; \$7ty	High/Lo 367.5 6 371.0 374.9 378.2 381.5 385.9 0 0 0y 62.	306.5 0 369.7 373.6 377.9 381.6 266.9 0
DQH	129.50 129.50 50 (0)lo Close 1438 1511 1568 1597 1624 1405	130.50 131.00 ns of 20 for Previous 1440 1498 1598 1590 1820	129.50 129.50 129.50 Intes. ex_point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622	=	Mapletesf Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Streer fix Spot 6 months 6 months	377-382 377-382 377-382 377-382 365-368 86-87 98-87 492-35-50 pffine oz 316.40 327.15 337.70	22 22 22 22 25 55 55 55 55 55 55 55 55 5	32-235 32-235 32-235 32-235 32-235 24-1,-23 3-53-1, 01.80-3 15 cts 6 17.00 28.25 39.20	8 ¹ 2 96.35	Aug Sep Oct Dec Feb Apr Juh Aug Oct	367.3 368.5 370.4 574.2 377.2 365.4 389.1 392.8 Chose 485.8	Previous 366.9 368.1 370.8 377.7 361.5 385.2 385.2 382.6 Yoy az; Sfor Previous 484.7	High/Lo 367.5 6 371.0 374.9 376.2 361.5 365.9 0 0 oy 62.	306.5 0 369.7 373.6 377.9 381.5 366.9 0
IQV8	129.50 129.50 r 50 (0)lo T FUTUH Close 1438 1511 1598 1897 1624 1405 1394 r 613 (25	130.50 131.00 ns of 20 for Previous 1440 1498 1598 1590 1820	129.50 129.50 129.50 Intes. ex_point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622		Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Noble Plat Sitrer fix Spot 3 months	377-382 377-382 377-382 377-382 365-368 86-67 26-87 492-35-50 pffine oz 316.40 327.15	22 22 22 22 25 55 55 55 55 55 55 55 55 5	32-235 32-235 32-235 32-235 24-4-22 3-53-4 01.80-3 35 cts 6 177.00 28.25	8 ¹ 2 96.35	Aug Sep Oct Dec Feb Apt Juh Aug Oct	367.3 368.5 370.4 574.2 377.9 361.7 365.4 389.1 392.8 EUM 50 t	966.9 368.1 370.0 373.9 377.7 361.5 385.2 385.2 385.2 392.6 Yoy oz; \$7ty	High/Lo 367.5 6 371.0 374.9 378.2 381.5 385.9 0 0 0y 62.	306.5 0 369.7 573.6 377.9 381.5 365.9 0
IQH IQVE	129.50 129.50 r 50 (0)lo T FUTUR Close 1438 1511 1598 1597 1624 1405 1394 r 613 (25	130.50 131.00 ns of 20 for Previous 1440 1498 1598 1590 1820	129.50 129.50 129.50 Intes. ex_point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622		Mapletesf Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Streer fix Spot 6 months 6 months	377-382 377-382 377-382 377-382 365-368 86-87 98-87 492-35-50 pffine oz 316.40 327.15 337.70	22 22 22 22 25 55 55 55 55 55 55 55 55 5	32-235 32-235 32-235 32-235 32-235 24-1,-23 3-53-1, 01.80-3 15 cts 6 17.00 28.25 39.20	8 ¹ 2 96.35	Aug Sep Oct Peb Apr Juh Aug Oct PLATS Sep Oct Jan Apr	Close 367.3 368.5 379.4 574.2 377.9 365.4 389.1 392.8 EUM 50 8 Close 485.8 482.4 485.9	Previous 366.9 368.1 370.0 373.9 377.7 361.5 365.2 385.9 382.6 roy az; \$7rr Previous 484.7 467.7 491.2	High/Lo 367.5 0 371.9 371.9 371.2 361.5 365.9 0 0 0 491.4 494.5 0	306.5 0 309.7 373.5 381.5 386.9 0 0 496.0 496.0
IQH IQVE	129.50 129.50 r 50 (0)lo T FUTUH Close 1438 1511 1598 1897 1624 1405 1394 r 613 (25	130.50 131.00 ns of 20 for Previous 1440 1498 1598 1590 1820	129.50 129.50 129.50 Intes. ex_point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622		Mapletesf Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Streer fix Spot 6 months 6 months	377-382 377-382 377-382 377-382 365-368 86-87 492-35-50 p/fine oz 316.40 327.15 337.70	22 22 22 25 55 55 55	32-235 32-235 32-235 32-235 32-235 3-53-1 01.00-3 15 cts 6 117.00 22.25 39.20 61.05	96.35 	Aug Sep Oct Dec Feb Aug Oct FLATE Sep Oct Jan Apr	Close 367.3 368.5 379.4 377.9 381.7 385.4 389.1 389.1 389.8 EUM 50 8 488.6 482.4 485.0 480.1	Previous 386.9 398.1 370.0 373.9 377.9 371.5 385.2 385.8 382.6 roy az; Str. 491.2 494.7 497.9	High/Lo 367.5 6 371.0 374.9 378.2 3815.9 0 0 0 491.4 491.4 494.5 0	306.5 0 309.7 377.9 381.5 205.9 0 0
ICVS ICVS	129.50 129.50 50 (D)io T FUTUH Close 1438 1511 1597 1627 1445 1394 7 613 (25	130.50 131.00 hts of 20 for the of 20 for the of 20 for the of 20 for 1440 1440 1568 1590 1820 1820 1383 2)	129.50 129.50 129.50 Intes. (ex. point High/Low 1445 1440 1515 1503 1585 1589 1610 1600 1630 1622 1410 1404		Mapleteef Britannia LIS Eagle Angel Kruperrand New Sov. Old Sov. Nobis Plat Sitrer fix Spot 3 months 6 months 12 months	377-382 377-382 377-382 377-382 365-368 36-87 482-35-60 priina 02 316-40 327-15 337-70	22 22 22 25 55 55 55	32-235 32-235 32-235 32-235 32-235 3-53 ¹ ₄ 3-53 ¹ ₄ 3-53 ¹ ₄ 3-53 ¹ ₄ 317.00 22.25 39.20 61.05	6 ¹ 2 96.35 Quity	Aug Sep Oct Juh Aug Oct Jun Apr Oct Jun Apr	Close 367.3 368.5 370.4 574.2 377.9 365.4 389.1 389.1 465.8 465.8 465.8 465.1 502.1	Previous 386.9 388.1 370.0 373.9 373.9 373.9 381.5 385.9 382.6 roy oz; Shr Previous 484.7 487.9 497.9 500.9	High/Lo 367.5 G 371.0 374.9 378.2 385.9 O O O V 62. High/Lo 6 491.4 494.5 O 0	306.5 0 309.7 373.5 381.5 386.9 0 0 496.0 496.0
QV6	129.50 129.50 r 50 (D)io T FUTUH Close 1438 1511 1587 1624 1405 1394 r 613 (25 Close 108.85 110.35	130.50 131.00 131.00 hs of 20 for the color of 20 for the color of 20 for 1440 1560 1560 1580 1383 2) Previous 108.76 110.50	129.50 129.50 129.50 Innes. (ex. point High/Low 1445 1440 1515 1503 1610 1600 1630 1622 1410 1404 High/Low 105.80 106.	5	Mapleteef Britannia LIS Eagle Angel Kruperrand New Sov. Old Sov. Nobis Plat Sitrer fix Spot 3 months 6 months 12 months 12 months	377-382 377-382 377-382 377-382 365-368 86-87 26-97 462.35-50 prilina 02 316.40 327.15 337.70 357.70	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	32-235 32-235 32-235 32-235 32-235 3-533, 01.80-3 13 cts 6 177.00 28-25 39-20 61.05	912 90.35 Quity	Aug Sep Oct Juh Aug Oct Jun Apr Oct Jun Apr	Close 367.3 368.5 370.4 574.2 377.9 365.4 389.1 389.1 465.8 465.8 465.8 465.1 502.1	Previous 386.9 398.1 370.0 373.9 377.9 371.5 385.2 385.8 382.6 roy az; Str. 491.2 494.7 497.9	High/Lo 367.5 G 371.0 374.9 378.2 385.9 O O O V 62. High/Lo 6 491.4 494.5 O 0	306.5 0 309.7 377.9 381.5 205.9 0 0
DON HOVE	129.50 129.50 50 (D)io T FUTUH Close 1438 1511 1597 1627 1445 1394 7 613 (25	130.50 131.00 131.00 131.00 150 150 150 1449 1568 1590 1383 2) Previous 108.70 110.50 110.50 110.50 111.55 116.80	129.50 129.50 129.50 Innes. Iex point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622 1410 1404 High/Low 105.80 105. 110.45 110. 113.75 113.	15 16 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Nobis Plat Sitrer fix Spot 3 months 6 months 12 months 12 months 13 months 14 months 15 months 16 months 17 months 18 months 18 months 18 months 19 months	377-382 377-382 377-382 377-382 365-308 86-87 26-87 462.35-50 příjna oz 316.40 327.15 337.70 357.70	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	32-235 32-235 32-235 32-235 32-235 34-1,-22 3-53-1, 01.80-3 17.00 28-25 39-20 61.05	8 1 ₂ 06.35 quity 09710068	Aug Sep Oct Juh Aug Oct Jun Apr Oct Jun Apr	Close 367.3 368.5 370.4 574.2 377.9 365.4 389.1 389.1 465.8 465.8 465.8 465.1 502.1	Previous 386.9 388.1 370.0 373.9 373.9 373.9 381.5 385.9 382.6 roy oz; Shr Previous 484.7 487.9 497.9 500.9	High/Lo 367.5 6 371.0 374.9 278.2 381.5 381.5 385.9 0 0 0 0 0 491.4 494.5 0 0	306.5 9 300.7 373.5 377.9 3815.9 0 0 495.0 490.5 0
DON HOVE	129.50 129.50 r 50 (D)lo Close 1438 1511 1568 1897 1624 1405 1394 r 613 (25 Close 108.80 110.35 110.80 110.36	130.50 131.00 131.00 hts of 20 horizontal hts of 20 horizontal 1440 1568 1580 1620 1383 2) Previous 108.70 110.50 113.75	129.50 129.50 129.50 Intes. (ex point High/Low 1445 1440 1515 1503 1585 1583 1610 1600 1630 1622 1410 1404 High/Low 105.80 105.4 110.45 110.4	15 16 15	Mapleteef Britannia LIS Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Silver fix Spot 3 months 6 months 12 months LONDON ME Atuatistion (i Strike price	377-382 377-382 377-382 377-382 385-388 386-87 386-87 492-35-50 prime oz 316.40 327.15 337.70 357.70 357.70	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 24-1,-22 3-53-1, 01.80-3 01.80-3 01.80-3 01.80-3 01.80-3 01.80-3 01.80-3 01.80-3 01.80-3	61 ₂ 28.35 Quity Quity Prices Nov 34	Aug Sep Oct Dec Peb Apr Juh Aug Oct FLATE	Close 367.3 389.5 370.4 374.2 377.9 381.7 385.4 389.1 382.8 EUM 50 1 485.8 485.9 495.1 7 502.1 7 5,000 tr	Previous 386.9 388.1 370.9 377.9 377.9 381.5 385.2 385.2 385.2 484.7 487.7 487.7 497.9 500.9 oy oz; can Previous 515.5	High/Lo 267.5 6 271.0 374.9 378.5 385.9 0 0 0 0y 62. High/Lo 0 0 0 0 1491.4 494.5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	306.5 9 300.7 373.5 377.9 3815.9 0 0 495.0 490.5 0
DON HOVE	129.50 129.50 50 (0)lo 150 (0)lo 1511 1568 1897 1405 1405 1405 1405 1405 1405 1405 1405	130.50 131.00 131.00 131.00 150 150 150 1449 1568 1590 1383 2) Previous 108.70 110.50 110.50 110.50 111.55 116.80	129.50 129.50 129.50 Innes. Iex point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622 1410 1404 High/Low 105.80 105. 110.45 110. 113.75 113.	15 16 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Nobis Plat Sitrer fix Spot 3 months 6 months 12 months 12 months 13 months 14 months 15 months 16 months 17 months 18 months 18 months 18 months 19 months	377-382 377-382 377-382 377-382 377-382 365-87 36-87 36-87 36-87 36-87 35-70 357.70 357.70 357.70 357.70	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 24-1 ₄ -22 3-53-1 ₄ 01.80-3 01.80-3 17.00 28-25 39-20 61.05	GPTIONS Nov 34 78	Aug Sep Oct Peb Apr Jul Oct PLATE Sep Oct Jan Aug Sep Sep Sep Sep Sep	Close 367.3 389.5 379.4 574.2 377.9 381.7 385.4 389.8 EUM 50 8 Close 485.8 482.4 485.9 489.1 502.1 676.3 518.3	Previous 386.9 398.1 570.0 373.9 377.7 381.5 385.9 382.8 roy az Str. Previous 484.7 481.2 494.7 491.2 500.9 or card 577.0 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 581.5 5	High/Lo 367.5 0 271.0 374.9 376.2 381.5 385.9 0 0 0 0 0 491.4 494.5 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	386.5 0 389.7 373.5 387.5 386.9 0 0 5486.0 0 518.5
DQH HOVE	129.50 129.50 50 (0)lo 150 (0)lo 1511 1568 1897 1405 1405 1405 1405 1405 1405 1405 1405	130.50 131.00 131.00 131.00 150 150 150 1449 1568 1590 1383 2) Previous 108.70 110.50 110.50 110.50 111.55 116.80	129.50 129.50 129.50 Innes. Iex point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1622 1410 1404 High/Low 105.80 105. 110.45 110. 113.75 113.	15 16 15	Mapletesf Britannia LIS Eagle Angel Kruperrand New Sov. Old Sov. Noble Plat Stiver fix Spot 3 months 6 months 12 months LONDON ME Abusinium (t Strike price 1700 1800 1900	377-382 377-382 377-382 377-382 365-388 368-87 492-35-50 p/fine oz 27.15 337.70 357.70 7AL EXCM. 39.7%)	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 32-235 32-235 32-33, 3-533, 3-	08.35 Quity DPTIONS Puls Nov 34 78 144	Aug Sep Oct Dec Peb Apr Juh Aug Oct FLATE	Ciose 367.3 389.5 379.4 2574.2 377.9 381.7 385.4 389.8 EUM 50 8 Ciose 485.8 482.4 485.9 486.1 502.1 8 500.1 Ciose 516.3 522.2 285.2	Previous 386.9 398.1 370.0 373.9 377.9 377.9 377.9 377.9 381.5 385.2 385.8 382.6 roy az; Shr Previous 484.7 497.2 497.9 500.9 roy az; Carl Previous 516.5 682.4	High/Lo 367.5 6 371.9 374.9 374.9 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	386.5 0 369.7 373.5 387.5 386.9 0 0 480.5 0 0 516.5
DOM HOVE	129.50 129.50 50 (0)lo T FUTUR Close 1439 1511 1588 1597 1694 1405 1394 7 613 (25 57/tonne Close 106.85 113.65 119.40 Close	130.50 131.00 131.00 ts of 20 for ts of 20 for ts of 20 for 1440 1440 1568 1580 1383 2) Previous 108.70 110.50 113.75 118.80 Prévious	129.50 129.50 129.50 Innes. Iex point Nigh/Low 1445 1440 1515 1503 1585 1668 1610 1600 1630 1622 1410 1404 High/Low 105.80 166. 110.45 110.4 113.75 113. 116.60 116.2 119.50 119.3	25 25 25 25 25 25 25 25 25 25 25 25 25 2	Mapletes! Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Nobis Plat Streer fix Spot 3 months 6 months 12 months 12 months 12 months 13 months 15 months 16 months 17 months 17 months 18 months 19 months 19 months 10 mon	377-382 377-382 377-382 377-382 385-388 86-87 26-87 26-87 26-87 26-87 357-70 357.70 357.70 7AL EXCM	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	32-235 32-235 32-235 32-235 32-235 32-33, 3-53,	00.35 Options Options Outs Nov 34 78 144	Aug Sep Oct Peb Apr Jul Oct PLATE Sep Oct Jan Aug Sep Sep Sep Sep Sep	Close 367.3 389.5 379.4 574.2 377.9 381.7 385.4 389.8 EUM 50 8 Close 485.8 482.4 485.9 489.1 502.1 676.3 518.3	Previous 386.9 388.1 370.0 373.9 377.9 377.9 381.5 385.2 385.2 385.2 484.7 487.7 487.7 487.7 487.5 500.9 by GC, Carl Previous 518.5 618.5 522.5 530.5	High/Lo 267.5 6 271.0 374.9 378.5 385.9 0 0 0 491.4 494.5 0 0 0 1 1/100y 62. High/Lo 513.0 521.0 533.0	366.5 9 369.7 373.5 377.9 381.5 386.9 0 486.0 486.0 516.5 9
OPPE	129.50 129.50 7 50 (0)lo 7 50 (0)lo 7 50 (0)lo 7 50 (0)lo 1511 1588 1597 1694 1405 1394 7 613 (25 170.30 110.35 113.65 113.65 113.65 119.40 107.10	130.50 131.00 131.00 131.00 131.00 131.00 131.00 1440 1440 1460 1568 1580 15820 1383 2) Previous 100.70 113.75 114.80 119.60 Previous 103.00 107.00	129.50 129.50 129.50 129.50 Innes. fex point High/Low 1445 1440 1515 1505 1515 1503 1585 1568 1610 1600 1632 1410 1404 High/Low 105.80 105.4 119.50 119.5 119.50 119.5 High/Low 103.20 103.2 107.20 107.2	25 16 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Noble Plat Streer fix Spot 3 months 6 months 12 months 12 months 12 months 12 months 12 months 13 months 13 months 14 months 15 months 16 months 1700 1800 1800 1800 1800 1800 1800 1800	377-382 377-382 377-382 377-382 385-389 385-39 385-97 482-35-50 prilina oz 316.40 327.15 337.70 357.70 357.70	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 32-235 32-235 32-235 32-534 01.80-30 13 cts e 177.00 28-25 39-20 61.05	8 1 ₂ 26.35 Quity 2971088 Value 34 78 144 Value 89	Aug Sep Oct PLATS Aug Oct Sep Oct Sep Oct Sep Oct Sep Oct Sep Oct Sep Oct Sep Oct Sep Oct Sep Oct	Close 367.3 389.5 370.4 374.2 377.3 381.7 385.1 389.4 389.8 EUM 50 8 EUM 50 8 485.8 485.4 485.9 486.9 502.1 Close 516.3 519.3	Previous 386.9 388.1 370.9 373.9 373.9 373.9 381.5 385.9 382.6 roy ex; Shr Previous 494.7 497.9 500.9 revious 515.5 518.5 52.4 530.5 533.7	High/Lo 367.5 6 371.9 374.9 374.9 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	386.5 0 369.7 373.5 387.5 386.9 0 0 480.5 0 0 516.5
OVE	129.50 129.50 50 (0)lo f 50 (0)lo f FUTUR Close 1439 1511 1568 1597 1624 1405 1394 1405 1394 1405 1394 1405 1394 1405 1394 1405 110.80 110.80 110.80 110.80 110.80 107.80 107.80	130.50 131.00 131.00 the of 20 for the of 20 for the of 20 for 1440 1568 1580 1620 1383 2) Previous 108.70 119.50 119.60 Prévious 108.00 119.60	129.50 129.50 129.50 129.50 Innes. lex point High/Low 1445 1440 1515 1503 1585 1568 1610 1600 1630 1692 1410 1404 High/Low 108.80 109.4 119.45 119.4 119.50 119.3 118.60 116.3 119.50 119.3 119.50 119.3 119.50 119.3	25 16 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia LIS Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Silver fix Spot 3 months 6 months 12 months 12 months LORDON ME Aluminium (1 Strike price 1700 1800 Copper (Gra: 12500 2600	377-382 377-382 377-382 377-382 385-388 385-87 492-35-80 p/fine oz 316.40 327.15 337.70 357.70 357.70 357.70 39 10 de A)	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 24-4,-22 3-63-4, 01.80-3(18-53-4, 01.80-3(17.00 28-25 39-20 61.05 47 16 17 18 19 19 19 19 19 19 19 19 19 19 19 19 19	98.35 Quity Quity 34 70 144 Puts 89	Aug Sep Oct Pach Aug Oct Jan Oct Sep Oct Jan Aug Sep Oct Jan Mar May Mar May	Close 367.3 389.5 379.4 574.2 377.9 381.7 389.1 389.1 389.8 EUM 50 8 488.8 488.4 485.9 486.1 502.1 502.1 502.1 502.1 502.2 519.3 519.3 519.3 502.2 531.4 534.6 532.2 530.2 500	Previous 386.9 386.1 370.9 373.9 377.7 381.5 385.9 382.6 roy az; Str. Previous 484.7 487.9 500.9 previous 516.5 516.5 520.5 533.7 541.7 541.3	High/Lo 367.5 0 371.0 374.9 376.2 381.5 385.9 0 0 0y 62. High/Lo 491.4 494.5 0 0 613.0 513.0 6533.0 0 5550.0	366.5 9 369.7 373.5 377.9 381.5 386.9 0 486.0 486.0 6 486.0 5 486.0 5 5 5 5 5 5 5 5 5 5 5 5 5
ove	129.50 129.50 50 (D)lo f 50 (D)lo f FUTUR Close 1438 1511 1568 1897 1624 1405 1394 1 613 (25 108.80 110.35 116.40 119.40 119.40 Close 108.80 119.40 119.40 Close 108.80 119.40 119.40 119.40	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1440 1490 1588 1590 1680 16820 1383 21 108.70 110.50 119.60 119.60 107.00 109.50	129.50 129.50 129.50 129.50 129.50 129.50 129.50 129.50 129.50 144.5 1440 144.5 1460 1630 1622 1410 1404 110.45 110.4 113.75 113 119.50 116.3 119.50 116.3 119.50 116.3 119.50 116.3 119.50 116.3 119.50 116.3 119.50 116.3	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Noble Plat Streer fix Spot 3 months 6 months 12 months 12 months 12 months 12 months 12 months 13 months 13 months 14 months 15 months 16 months 1700 1800 1800 1800 1800 1800 1800 1800	377-382 377-382 377-382 377-382 385-389 385-39 385-97 482-35-50 prilina oz 316.40 327.15 337.70 357.70 357.70	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 32-235 32-235 32-235 32-534 01.80-30 13 cts e 177.00 28-25 39-20 61.05	8 1 ₂ 26.35 Quity 2971088 Value 34 78 144 Value 89	Aug Sep Oct Jan Apr Jul Oct Jan Apr Jul Oct Jan Apr Jul Oct Jan Apr Jul Oct Jan Apr Jul Oct Jan Apr Jul Oct Jul Jul Jul Jul Jul Jul Jul Jul Jul Jul	Close 367.3 389.5 370.4 374.2 377.9 361.7 369.1 389.4 389.4 485.8 482.4 485.8 482.4 485.8 560.1 502.1 \$ 5.000 tr	Previous 386.9 388.1 370.0 373.9 377.9 377.9 381.5 385.2 385.8 382.6 roy at; Shriving 491.2 497.7 491.2 497.9 500.9 roy at; Canil Previous 516.5 622.4 330.5 541.7	High/Lo 367.5 0 371.0 374.9 374.9 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	386.5 0 369.7 373.5 387.9 381.5 386.9 0 496.0 490.5 0 516.5 50 516.5 50 540.5 550.5 550.5
over	129.50 129.50 50 (0)lo f 50 (0)lo f FUTUR 1588 1591 1694 1405 1394 6 (250 100.35 113.65 113.65 119.40 Close 107.10 109.80 114.55 114.95	130.50 131.00 131.00 131.00 this of 20 for the color of 20 for the	129.50 129.50 129.50 129.50 Innes. fex point High/Low 1445 1440 1515 1563 1585 1568 1610 1600 163.20 1410 1404 High/Low 105.80 105. 118.50 119.5 High/Low 107.20 107.20 107.20 107.20 104.80 114.80 188.97 2 13	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Krugerrand New Sov. Noble Plat Silver fix Spot 3 months 6 months 12 months 12 months LONDON ME 1700 1900 1900 Copper (Gra: 2500 2600 2700	377-382 377-382 377-382 377-382 385-398 86-87 28-87 492.35-60 prine oz 316.40 327.15 337.70 357.70 7AL EXCM. 102 39.7%) \$ tonne Sq 10 44 73 73 86-87	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 22-235 22-235 23-533 3-5	98.35 Quity Quity 34 70 144 Puts 89	Aug Sep Oct Pach Aug Oct Jan Oct Sep Oct Jan Aug Sep Oct Jan Mar May Mar May	Close 367.3 389.5 370.4 374.2 377.3 381.7 385.1 389.1 389.8 EUM 50 8 EUM 50 8 676.3 576.2 681.4 534.6	Previous 386.9 388.1 370.9 373.9 373.9 373.9 385.9 382.6 roy oz; Shr Previous 484.7 487.9 500.9 roy oz; Carl Previous 515.5 518.5 52.4 530.5 533.7 541.7 540.3 557.3	High/Lo 367.5 0 371.0 374.9 374.9 374.9 381.5 381.5 381.5 381.0 0 491.4 494.5 0 0 513.0 513.0 6 533.0 0 561.0 6 667.0	306.5 0 309.7 373.5 377.9 381.5 386.9 0 496.0 546.0 516.5 0 528.5 0 549.5 549.
over	129.50 129.50 50 (0)lo f 50 (0)lo f FUTUR 1588 1591 1694 1405 1394 6 (250 100.35 113.65 113.65 119.40 Close 107.10 109.80 114.55 114.95	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1440 1490 1588 1590 1680 16820 1383 21 108.70 110.50 119.60 119.60 107.00 109.50	129.50 129.50 129.50 129.50 Innes. fex point High/Low 1445 1440 1515 1563 1585 1568 1610 1600 163.20 1410 1404 High/Low 105.80 105. 118.50 119.5 High/Low 107.20 107.20 107.20 107.20 104.80 114.80 188.97 2 13	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia LIS Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Silver fix Spot 3 months 6 months 12 months 12 months LORDON ME Aluminium (1 Strike price 1700 1800 Copper (Gra: 12500 2600	377-382 377-382 377-382 377-382 385-398 86-87 28-87 492.35-60 prine oz 316.40 327.15 337.70 357.70 7AL EXCM. 102 39.7%) \$ tonne Sq 10 44 73 73 86-87	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 22-235 22-235 23-533 3-5	98.35 Quity Quity 34 70 144 Puts 89	Aug Sep Oct Jan Apr Juh Aug Oct Jan Apr Jul Oct SklVE Sep Oct Dec Jan Mer May Jul Sep Dec	Close 367.3 389.5 370.4 2 377.9 361.7 365.1 389.1 389.8 EUM 50 8 Close 485.8 482.4 485.9 486.1 502.1 7 5.000 p Close 518.3 512.2 651.4 554.6 542.6 550.2 566.2 566.2 577.6	Previous 386.9 388.1 370.0 373.9 377.9 377.9 381.5 385.2 385.8 382.6 roy at; Shriving 491.2 497.7 491.2 497.9 500.9 roy at; Canil Previous 516.5 622.4 330.5 541.7	High/Lo 367.5 0 371.0 374.9 374.9 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	386.5 0 369.7 373.5 387.9 381.5 386.9 0 496.0 490.5 0 516.5 50 516.5 50 540.5 550.5 550.5
CVS	129.50 129.50 50 (0)lo f 50 (0)lo f FUTUR 1439 1511 1588 1597 1694 1405 1394 7 613 (25 170.35 110.35 1119.40 103.95 116.40 109.80 114.55 109.80 114.55 119.40	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1440 1440 1460 1560 1560 15820 1383 2) Previous 108.70 110.50 113.75 116.80 107.00 109.50 287 (253), 100 tonnes	129.50 129.50 129.50 129.50 Innes. In	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Silver fix Spot 3 months 6 months 12 months 12 months 12 months 12 months 15 months 16 months 1700 1800 1900 Copper (Gran 1900 2500 2700	377-382 377-382 377-382 377-382 385-388 386-87 492-35-80 priline oz 316.40 327.15 337.70 357.70 357.70 3 tonne Se 102 38 104 49.25-80 104 49.25-80 104 49.25-80 104 49.25-80 105 49.25-80 40 40.25-80	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 24-1,-22 3-63-1, 3-63-1, 3-63-1, 18-63-1, 19-63 11-63	20-710088 Op/710	Aug Sep Oct PLATS Sep Oct SELVE Aug Oct Sep Oct Dec Jan Mar May Jul	Close 367.3 389.5 370.4 2 377.9 361.7 365.1 389.1 389.8 EUM 50 8 Close 485.8 482.4 485.9 486.1 502.1 7 5.000 p Close 518.3 512.2 651.4 554.6 542.6 550.2 566.2 566.2 577.6	Previous 386.9 388.1 370.9 373.9 373.9 373.9 385.9 382.6 roy oz; Shr Previous 484.7 487.9 500.9 roy oz; Carl Previous 515.5 518.5 52.4 530.5 533.7 541.7 540.3 557.3	High/Lo 367.5 0 371.0 374.9 374.9 374.9 381.5 381.5 381.5 381.0 0 491.4 494.5 0 0 513.0 513.0 6 533.0 0 561.0 6 667.0	306.5 0 309.7 373.5 377.9 381.5 386.9 0 496.0 546.0 516.5 0 528.5 0 549.5 549.
ove INS	129.50 129.50 50 (0)lo f 50 (0)lo f FUTUR 1439 1511 1588 1597 1694 1405 1394 7 613 (25 170.35 110.35 1119.40 103.95 116.40 109.80 114.55 109.80 114.55 119.40	130.50 131.00 131.00 131.00 this of 20 for the color of 20 for the	129.50 129.50 129.50 129.50 Innes. In	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Sitrer fix Spot 3 months 6 months 12 months 12 months 12 months 12 months 15 trike price 1700 1800 1900 Copper (Gra: 1500 2500 2700	377-382 377-382 377-382 377-382 385-388 386-87 492-35-80 pMine oz 316.40 327.15 337.70 357.70 357.70 3 tonne Se 102 492.35-80 104 A)	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 24-1,-22 3-63-1, 3-63-1, 3-63-1, 3-63-1, 3-63-1, 18 Cis 6 177.00 28-25 39-20 61.05 47 116 5-6 117 19 19 19 108 108 108 108 108 108 108 108 108 108	2012 20.35 2	Aug Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Dec Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Da Oct Da Da Oct Da Oct Da Oct Da Da Oct Da Da Da Da Da Da Da Da Da Da Da Da Da	Close 367.3 389.5 370.4 277.9 361.7 365.4 369.1 389.8 EUM 50 8 Close 488.8 482.4 488.9 486.1 502.1 7 5.000 g 676.3 578.3 578.5 568.2 584.2 577.6	Previous 386.9 388.1 370.0 377.9 377.9 377.9 377.9 381.5 385.2 385.8 382.6 (eg az Str. 491.2 494.7 497.9 500.9 (eg az Str. 556.5 582.4 530.5 541.7 640.3 595.3 578.7	Hight/Lo 367.5 0 371.0 374.9 278.2 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	306.5 0 309.7 373.5 377.9 381.5 206.9 0 490.5 0 516.0 516.0 516.5 50 50 50 50 50 50 50 50 50 50 50 50 50
IQH INIS	129.50 129.50 50 (0)lo f 50 (0)lo f FUTUR 1439 1511 1588 1597 1694 1405 1394 7 613 (25 170.35 110.35 1119.40 103.95 116.40 109.80 114.55 109.80 114.55 119.40	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1440 1440 1460 1560 1560 15820 1383 2) Previous 108.70 110.50 113.75 116.80 107.00 109.50 287 (253), 100 tonnes	129.50 129.50 129.50 129.50 Innes. In	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapletes! Britannia LIS Eagle Angel Kruperrand New Sov. Old Sov. Nobis Plat Sitrer fix Spot 3 months 6 months 12 months 12 months 12 months 12 months 12 months 12 months 13 months 14 months 15 months 16 months 1700 1800 1900 1900 1900 1900 1900 1900 19	377-382 377-382 377-382 377-382 377-382 365-87 36-87 36-87 36-97 36-97 35-97 35-70 37.70 37.70 37.70 37.70 37.70 38.37.70 39.7%) \$ tonne Se 10 39.38 30 30 30 30 30 30 30 30 30 30 30 30 30	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 22-235 22-235 23-533 3-533 3-533 3-533 3-533 3-533 3-533 3-533 3-533 3-533 11-00	96.35 Quity Quity Quity Now 34 76 144 Puts 89 136 139	Aug Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Dec Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Da Oct Da Da Oct Da Oct Da Oct Da Da Oct Da Da Da Da Da Da Da Da Da Da Da Da Da	Close 367.3 389.5 379.4 2 379.9 381.7 385.1 7 385.1 389.8 EUM 50 8 Close 485.8 482.4 485.9 486.1 502.1 8 500.1 502.1 552.2 551.6 552.2 557.6 568.2 558	Previous 386.9 388.1 370.0 373.9 377.7 381.5 385.2 385.8 189.2 8 189.2 8 189.2 8 189.2 189	High/Lo 367.5 0 371.0 374.9 374.9 374.9 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	386.5 0 389.7 373.5 387.5 387.5 386.9 0 486.9 480.5 0 516.5 520.5 540.5 550.5 550.5 550.5 550.5 550.5 578.0
OGH HOVE ALMS	129.50 129.50 129.50 7 50 (0)lo 7 FUTUR Close 1439 1591 1588 1597 1405 1405 1405 1405 1405 1405 1405 1405	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1440 1440 1460 1560 1560 15820 1383 2) Previous 108.70 110.50 113.75 116.80 109.50 109.50 109.50 287 (253), 100 tonnes ement) p/ke	129.50 129.50 129.50 129.50 Innes. In	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Krugerrand New Sov. Old Sov. Noble Plat Sitrer fix Spot 3 months 6 months 12 months 12 months 12 months 12 months 15 trike price 1700 1800 1900 Copper (Gra: 1500 2500 2700	377-382 377-382 377-382 377-382 385-388 386-87 492-35-80 pMine oz 316.40 327.15 337.70 357.70 357.70 3 tonne Se 102 492.35-80 104 A)	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 22-235 22-235 23-533 3-533 3-533 3-533 3-533 3-533 13-533 13-533 147 116 50 50 50 50 50 50 50 50 50 50	86/2 98.35 9	Aug Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Dec Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Da Oct Da Da Oct Da Oct Da Oct Da Da Oct Da Da Da Da Da Da Da Da Da Da Da Da Da	Close 367.3 389.5 370.4 2 377.9 361.7 365.1 389.1 389.8 EUM 50 1 Close 488.8 482.4 485.9 486.1 502.1 7 5.000 fr 676.3 578.2 581.4 552.2 577.6 588.2 588.2 577.6 EPM (Bar	Previous 386.9 388.1 370.0 377.9 377.9 377.9 377.9 381.5 385.2 385.8 382.6 roy az; Str. 491.2 494.7 497.9 500.9 roy az; cent 257.5 562.4 577.9 578.7 541.7 5	High/Lo 367.5 0 371.0 374.9 278.2 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	306.5 0 309.7 373.5 377.9 381.5 206.9 0 490.5 0 516.0 516.0 516.5 50 50 50 50 50 50 50 50 50 50 50 50 50
Sections of the section of the secti	129.50 129.50 129.50 F 50 (0)lo T FUTUH Close 1438 1511 1588 1597 1694 1405 1394 F 613 (25 F/tonne Close 108.30 119.40 Close 103.20 119.40 Close 103.20 119.40 Close 119.50 119.50 120.8	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1488 \$10/ince 1440 1498 1598 1598 1598 1598 108.70 110.50 110.50 110.50 119.60 170.700 109.50 287 (253), 100 tonness ement) p/kg Previous	129.50 129.50 129.50 129.50 Innes. fex point High/Low 1445 1440 1515 1503 1600 1600 1600 1600 1045 1600 1045 110.61 110.75 110.61 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Nobie Plat Sitver fix Spot 3 months 6 months 12 months LONDON ME Ahupinform (6 Strike price 1700 1800 2500 2500 2700 LONDON FO Copper (Gra-	377-382 377-382 377-382 377-382 385-389 365-87 38-87 38-97 38-97 38-97 38-75) 37.70 37.70 37.70 38.7%) \$ tonne Se 102 39 39 38 38 38 38 38 39 39 39 38 38 38 38 38 38 38 38 38 38 38 38 38	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-225 22-225 22-225 22-235 23-53-1 01.80-30 1.80-30 28-25 39-25 39-25 39-105 11 47 118 19 52 108 109 109 109 109 109 109 109 109 109 109	86/2 98.35 98.35 98.35 98.35 98.35 Nov 34 78 144 985 89 138 199 Nov 48 77 112	Aug Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Dec Sep Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Aug Oct Jan Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Oct Da Da Oct Da Da Oct Da Oct Da Oct Da Da Oct Da Da Da Da Da Da Da Da Da Da Da Da Da	Close 367.3 389.5 379.4 2 379.9 381.7 385.1 7 385.1 389.8 EUM 50 8 Close 485.8 482.4 485.9 486.1 502.1 8 500.1 502.1 552.2 551.6 552.2 557.6 568.2 558	Previous 386.9 388.1 370.0 377.9 377.9 377.9 377.9 381.5 385.2 385.8 382.6 roy az; Str. 491.2 494.7 497.9 500.9 roy az; cent 257.5 562.4 577.9 578.7 541.7 5	High/Lo 367.5 0 371.0 374.9 374.9 374.9 381.5 385.9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	386.5 0 389.7 373.5 387.5 387.5 386.9 0 486.9 480.5 0 516.5 520.5 540.5 550.5 550.5 550.5 550.5 550.5 578.0
AINS AINS AINS AINS	129.50 129.50 129.50 129.50 129.50 129.50 150 100 151 151 1597 1624 1439 1405 1405 1405 1603 170 170 170 170 170 170 170 170 170 170	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1440 1440 1468 1590 1283 1283 1283 108.70 110.50 113.75 110.80 119.60 107.00 107.00 107.00 109.50 287 (253), 100 torness ement) p/kg Previous	129.50 12	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Old Sov. Nobie Plat Sitver fix Spot 3 months 6 months 12 months 1000 1000 1000 1000 1000 1000 1000 10	377-382 377-382 377-382 377-382 385-389 368-87 38-87 38-97 38-97 38-97 38-75) 37.70 37.70 38.7%) \$ tonne Se 102 39 104 A) 144 79 38 38 38 38 38 38 38 39 39 38 38 38 38 38 38 38 38 38 38 38 38 38	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-235 22-235 22-235 22-235 22-235 23-533 3-533 3-533 3-533 3-533 3-533 13-533 13-533 147 116 50 50 50 50 50 50 50 50 50 50	86/2 98.35 9	Aug Sep Oct Jan Apr Jul Oct St.VE	Close 367.3 389.5 370.4 374.2 377.9 381.7 385.1 389.1 389.8 EUM 50 t Close 485.8 485.8 485.8 485.8 485.1 502.1 502.1 502.1 502.1 502.1 502.2 563.4 554.6 554.6 554.6 554.6 554.6 554.8 554.8 554.8 554.8 554.8 554.8 554.8	Previous 386.9 388.1 373.9 3773.9 3773.9 3773.9 3773.9 3773.9 3773.9 3873.9 388.9 388.9 388.9 388.9 388.9 388.9 588.7 487.7 487.9 500.9 72 Central Previous 515.5 516.5 516.5 516.5 516.5 516.5 516.5 516.7 540.7	High/Lo 367.5 0 371.0 374.9 278.2 381.5 381.5 381.5 381.5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	306.5 0 309.7 373.5 377.9 381.5 306.9 0 495.0 490.5 0 490.5 0 516.5 0 516.5 0 528.5 540.5 557.0 565.7 565.7 565.7 578.0
AIRIS OCT TOVO	129.50 129.50 129.50 F 50 (0)lo T FUTUH Close 1438 1511 1588 1597 1694 1405 1394 F 613 (25 F/tonne Close 108.30 119.40 Close 103.20 119.40 Close 103.20 119.40 Close 119.50 119.50 120.8	130.50 131.00 131.00 131.00 131.00 131.00 131.00 131.00 1488 \$10/ince 1440 1498 1598 1598 1598 1598 108.70 110.50 110.50 110.50 119.60 170.700 109.50 287 (253), 100 tonness ement) p/kg Previous	129.50 129.50 129.50 129.50 Innes. fex point High/Low 1445 1440 1515 1503 1600 1600 1600 1600 1045 1600 1045 110.61 110.75 110.61 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5 119.50 119.5	25 15 15 15 15 15 15 15 15 15 15 15 15 15	Mapleteef Britannia US Eagle Angel Kruperrand New Sov. Nobie Plat Sitver fix Spot 3 months 6 months 12 months LONDON ME Ahupinform (6 Strike price 1700 1800 2500 2500 2700 LONDON FO Copper (Gra-	377-382 377-382 377-382 377-382 385-389 385-389 385-87 482-35-60 prilina oz 316.40 327.15 337.70 357.70 357.70 357.70 102 39 103 39 104 482-35-60 39 105 39 39 38 38 38 38 38 38 38 39 39 39 30 30 30 30 30 30 30 30 30 30 30 30 30	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	22-235 22-235 22-235 22-225 22-225 22-225 22-235 23-53-1 01.80-30 1.80-30 28-25 39-25 39-25 39-105 11 47 118 19 52 108 109 109 109 109 109 109 109 109 109 109	86/2 98.35 98.35 98.35 98.35 98.35 Nov 34 78 144 985 89 138 199 Nov 48 77 112	Aug Sep Oct Jan Apr Jul Oct St.VE	Close 367.3 389.5 370.4 374.2 377.9 381.7 385.1 389.1 389.8 EUM 50 t Close 485.8 485.8 485.8 485.8 485.1 502.1 502.1 502.1 502.1 502.1 502.2 563.4 554.6 554.6 554.6 554.6 554.6 554.8 554.8 554.8 554.8 554.8 554.8 554.8	Previous 386.9 388.1 370.0 373.9 377.9 377.9 381.5 385.2 385.8 382.6 roy oz; Str. 491.2 494.7 497.9 500.9 roy oz; Carl Previous 516.5 622.4 330.5 562.5 578.7 541.7 549.3 565.3 578.7 541.7 649.3 649.8 588.8 578.7 541.7 649.8 649.8 588.	High/Lo 367.5 0 371.0 374.9 278.2 381.5 381.5 381.5 381.5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	306.5 0 309.7 373.5 377.9 381.5 306.9 0 495.0 490.5 0 490.5 0 516.5 0 516.5 0 528.5 540.5 557.0 565.7 565.7 565.7 578.0

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tion. Reports of possible German ing in the London gas oil helped the products higher. Coffee tell ply smid reports of origin selling, se was testureless and sugar lined as trade and commission se selling elected sell-stops. Cotton	Dec Jen Feb
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COP	PER 25,00	C lbs; cents	/fbe		Ci	icag	0		
	Close	Previous	High/Lo	W .		MEANS S	000 bu min;		
Aug	112.80	110.95	112.60	112,63	4017				usnei
Sep	712.25 111.30	110.70 109.80	112.60	111.60		Close	Previous	High/Low	·
Dec	109.50	. 108.00	110.00-	105.80	Aug Sep	609/2 580/2	594/0 576/4	607/0 584/0	500/0 578/4
CRU	DE OIL (U	ght) 42,000	US galls \$	fbarrel ·	Nov	575/0	570/4	579/0	573/4
	Latest	Previous			Jan	584/4	590/2	589/0	583/0
Sep	18,61	18.21	18.70	18,38	Mar May	594/6 602/4	591/0 596/4	599/0 607/0	593/0 501/0
Oct	18.33	17.97	18.98	18.15	آليال	605/0	601/4	611/0	605/0
Nov	18.20	17,88	. 18,22	.17.95	Aug	600/0	597/6	605/0	800/0
Dec Jen	18.10 18.00	17.82 17.75	18.11 18.00	17.92 17.85	SOYA	HEAN OIL	B0,000 lba;	ente/lb	
Feb	17.90	17.69	17.95	17,80		Close	Previous	High/Low	
Apr May	17.84 17.75	17.82 17.80	17,84 0	17.78 0	Aug	18.26	18.12	18.35	18.16
Jua	17.75	17.58	17.75	17.80	Sep Oct	18.37 16.59	18.23 18.47	18.54	18.30 18.54
		· · .	٠.		Dec	19.03	18.87	16.75 19.25	18.97
HEAT	ING OIL 4	12,000 US g	elis, cents/	US gelis	Jen Mar	19.25	19.02	19.50	19.20
	Latest	Previous			Mar	19.62 19.95	19.45 19.72	19,70 20,00	19.80 19.85
Sep	5005	4943	5036	4975	Jul	20,15	19.95	20.15	20.15
O≎t	6075	5316	5100	5045	SOYA	BEAK NE	LL 100 tones		
Nov Dec	5150 5220	5090 6167	5170	5140		Close	Previous	High/Low	
Jan	5260	5167 5197	5240 5265 .	. 5215 6238	Aug	196.2	192.9		100 -
feb	5200	5132	5200 .	5180	Sep	184.5	182.1	196.5 -185.5	198.5 182.7
Mar Apr	8000 4850	4942 4782	5005 4850 .	-4965 - 4800 ·	Oct	179,7 178.7	177.7	181,2	178.5
May	4781	4657,	4786 .	4695	Jan	178.9	176.6 177.0	180.3 180.7	177.8 178.0
Jun	4885	4507	4685	4565	Mar	180.0	178.2	181.8	179.5
0000	A 10 tons	res;\$/bme			May Jul	181,5. 182.0	179.7 161 <u>.2</u>	182.0 182.5	181.0
	Close	Previous	High/Lev	<u> </u>			min; cents/5		181.5
Sec	1306	1295	1909	1290		Close	Previous		
Dec Mar	1332 1331	1322	1333 1333	1317 1319	·	225/0		High/Low	
May	1341	1330	1341	1328	Sep	225/6	228/0 224/4	225/2 225/0	223/8 225/0
Jul Sep	. 1352 1369	1345	1348	1345	Mar	233/4	232/4	233/4	232/4
Dec	1391	1360 1383	1364 1391	1384 . 1383	May Jul	238/6 240/0	237/2 238/4	238/8	238/6
		<u> </u>			Sep	237/6	237/4	240/2. 237/8	236/4 235/4
COPT	EE "C" 37	,500lbs; cer	nta/lbs		Dec	238/6	238/4	238/8	236/6
	Close	Previous	High/Low		100000	T & 000 b.			<u> </u>
Sep	79.97	82.44	\$1.90	79.55	WIREA		min; cents/		
Dec Mar	80.60 83.20	82.97 85.65	82.35	80.50		Close	Previous	Highriaw	<u> </u>
May	85.38	87,74	85.10 86.85	83.20 . 85.80	. Sep.	395/6 409/2	395/0 409/0	398/4 410/2	393/4 407/2
Jul S åp	67,75 - 80,00	90,13	88.76	87.75	Mar	413/2	413/6	414/4	411/0
Dec	93.00	92.75 95.75	91.50 95.25	93.00	May Jul	395/0 365/0	395/4 357/0	307/4	593/4
SUGA	R WORLD	"11" 112,0	00 lbs; clans		Sep	368/0	369/G	366/4 Q	364/0 0
 -	Close	Previous	High/Low		LIVE	ATTLE 40	000 lbs; cen	la/lba	· · · · · ·
Oct :	13.85	14.07	14.18	18.83		Close	Previous	High/Low	
Jen	12.30	12,52	0	0	Aug	74.67	74.57	74.77	74.82
Mar May	12.91 : 12.77	13.09	13,15 12,92	12.90 12.76	Sep	75.95	75.50	78.70	75.96
-	12.62	12.05	12.70	12.60	Dec	76.27 74.87	76.27 74.86	76.40	76 07
Oct	12.25	12.38	12.42	12.25	Feb	73.72	73.72	75.05 73.87	74.80 73.70
					Apr Jun	74.70 72.80	74 45 72,47	74.77	74 BC
com		cents/lbs			Aug	70.65	70 80	72,65 ⁻ 70.95	72.25 72.66
	Close	Previous	High/Low		LIVE	OGS 30.00	O Ib; cents/I		
Oct	75,30	74.80	75.49	74.90		Close	Previous		
Dec Mar	76.16. 76.80	75.62 76.50		. 75.78				HIGHLICH	
May	77.00	76.85	71.28 77.56	76.55 77.00	Aug Oct	46.60 39.85	46,77 40,30	46.65	40.55
Jul . •	77.16	77.24	77.29	77.05	Dec	41.70	41.85	40.45 42.10	* 39.50 41.52
Qet Dec	70.25 67.50	70.00 67.00	70.56 88.00	69.75 87.00	Feo Apr	42.75	42.80	42.95	49 50
			-	87.00	Jun	40.20 45.25	40.22 45.15	40.70	40,20
ORAN	GE JUICE	15,000 fbs;	cente/ite	 -	.Joi	45.70	45,55	45.36 45.85	45.00 45.55
	Close	Previous	High/Equ	 .	Aug	44,40	44.40	44.60	.0
	180.20				PORK	BELLIES 4	0.000 Ibs; 64	nts/1b	· ·
Sep Nov	180.20 -148.50	154.55 144.85	160.35 148.50	155.40 145.70		Close	Previous	High/Low	
Jan	145.00	141.60	145.00	142.50	Aug	24.50	24.92	24.97	24.40
Har .	144,15	140.90	144.50	141.75	Feb	38.70	36.72	38.90	38.40
'May ' Sep	143.15 142.00	139.75 13 6.2 5	D '	0	Mar	38.70	38.87	38.75	58.40
Nov	142.00	138.25	ŏ	ō.	Vrid web	40.20 39.70	40.00 39 52	40.26	\$8.86 0
					_			39.75	v.
					•	• •			



105.4 50.53 (28/11/47) (3/1/75)

2443,4 986.9 (16/7/87) (23/7/84)

1972.0

Basis 100 Govt Secs 15/10/26, Flaed Int. 1928, Ordinary 17/35, Gold mines 12/8/55, Besis 100 FT-SE 109 31/12/63, w Nel 12.57, * Corrected

Gilt Edged Bergains 102.0 102.9

1782.8 (3/1)

S.E. ACTIVITY

LONDON STOCK EXCHANGE

Profit-taking cuts into equity gains

IN THE absence of any of the widely-rumonized large corpo-rate developments, the UK stock market showed signs of weariness yesterday, and closed with a double digit fall. The Footsie 2,350 level was lost in late dealings when Wall Street, too, appeared to be jib-bing at an important support level London's Seaq trading volume was high, but selling appeared to be coming mostly from market makers trimming their positions rather than pri-

vate or institutional investors. Today brings the end of the current equity trading Account and the opening of the new three week trading period: extended trading Accounts

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over the August holiday period are invariably unpopular with market makers and professional traders alike.

The course of yesterday's session was complicated by problems on the electronic reporting system. First, an incorrect price entry for Brit-ish Telecom sent the Footsie Index plunging before automatic checking systems put it on "hold". Then towards the close there were further screen problems which briefly blotted out details of trading in some

The day started on a gloomy note as London, lacking a con-vincing lead from Wall Street, showed disappointment at the absence of a confidently-pre-dicted bid in the food share sector. Trading results from BTR Nylex served to damp down bid speculation in Pilk-

Indications of a return to investment fundamentals were emphasised by an investment note from Nomura Research

FT-A All-Share Index

1150

1100

which warned that "the mar- were well received in the market faces a serious short term ket but had little effect across setback", adding that prospects for a downside move to FT-SE 2,150 outweigh upside potential in the immediate future.

The FT-SE 2,350 mark was lost as London sensed a slow start on Wall Street; this level has been seen as a possible top for the current trading range and traders claimed some satisfaction yesterday when the Index tried to steady below this point. At its final reading of 2,347.3, the FT-SE Index was 13:1 points down; Seag volume of 574.7m shares compared with 521.9m on Wednesday. Quarterly trading statements from the major oil companies

for the company, now would be the right time to strike. Dixons appears to have stopped the trading rot and finally halted the decline in its market share.

Dixons aside, it was downhill

all the way for retail stocks. Kingfisher, which has been such a good market in the past months, took a tumble, falling

9 to 353p on turnover of 3.2m in the wake of cautious words

from several broking houses, notably Hoare Govett, which says sales of diy and electrical goods will be particularly poor in the second half of this year.

Also weaker were GUS,

down 18 at 1088p and under-mined by a large seller of stock at a price around 1080p. Opin-ion appears to be swinging the

way of Boots victory over Ward White judging by market sentiment; Boots finished down

6 at 294p and Ward White down 2 at 456p. British Steel slipped 2 to 75p as institutions sold ahead of

the end of the Account today.

Marketmakers also noticed

stock coming on offer from US

shareholders and expressed wariness of the stock. Turn-

trade after Wednesday's fig-ures and recent strong rises. It

touched 453p before rallying in

the afternoon, helped by French interest, to close a net 2

fitmer at 460p. Turnover was a strong 2.2m shares. Clyde Blowers, which makes

soot blowing equipment, typi-fied the volatility of thinly

traded stocks by jumping 25 to

508p before closing at 498p. "It only takes a thousand share

order to move the price," said a

marketmaker.
Once again investors were buying call options in Asda in anticipation of a bid, said to be due within the next three

weeks. Contracts worth more than 3m shares were traded, while the underlying stock

added a penny at 208%p on

turnover of 11m.
Among manufacturers bid

fever returned to dairy group Unigate, up 4 at 418p, and Dal-gety, up 3 at 420p, while profits were taken in recent takeover

favourites United Biscuits, 9 lighter at 393p, and Cadbury Schweppes, 10 lighter at 427p.

Brokers' downgrades continue to take the shine off Booker,

down a further 10 at 452p.
Cable & Wireless (C&W)
were described by one senior

electronics analyst as "the only game in town," yesterday as the shares followed up Wednesday's 25p leap with a further 19 rise to 578p, after 580p; turnover at 8.4m shares was significant.

cantly above average. The mar-

ket is looking for a sharp increase in US activity in the stock after the offering to US

investors of ADS's is comple in September. But as the same analyst put it "there is always

GKN weakened in early

over was 14m shares.

the broader range of equities Glaxo and ICI set the trend for the blue chips, opening higher but fading away before the close in modest turnover.

The bid fever which has driven the market over the past week showed signs of sub-siding yesterday, and only a handful of speculative shares managed to stand out against the generally dull backgroud. BAT Industries gave further ground as a number of US Con-gressmen expressed concern over the offer for the tobacco and finance group from the consortium headed by Sir James Goldsmith.

buy is Mr Nick Bubb of Morgan Stanley. He believes that if anyone is interested in bidding the danger of over-excitement with this sort of thing."
British Telecom continued to

perform hadly against the sec-tor and the rest of the market, disturbed by a recent bearish note issued by BZW and ner-vous selling ahead of the first quarter figures expected on August 17. At the close BT were 2½ off at 255p on turn-

were 2½ off at 255p on turn-over of 7m.

GEC took a tumble, slipping 5 to 275p on 8.9m — "they look a shade overbought," said one trader. Thorn EMI lost 5 more to 830p with dealers tending to disregard stories of a possible rights issue — "the market's view is that a eurobond issue is much more likely as a fund is much more likely as a fund raising exercise rather than a straightforward rights issue." Ferranti lost 3 to 82p on

turnover 5.4m reflecting the group's failure to win the contract to supply command and control systems to the Royal Navy's new Type 23 frigates.

Shares in Pearson moved up

again, but closed below the best in unimpressive turnover.
After touching 809p, the stock closed at 803p, a net gain of 4, with 613,000 shares traded.

After the market closed Reed Executive posted an announcement saying that a French stockbroker's client had acquired a little more than 5 per cent of the share capital of the company. Reed said it was "making urgent inquiries to obtain precise information to determine the exact number of shares acquired, the percentage holding and the identity of the shareholder."

Diversified distributor Parkfield Group jumped 25 to 249 on stories of analysts' upgrad-ings. Mr Arun Lahiri, analyst at Parkfield broker Laing &

TRADING VOLUME IN MAJOR STOCKS The following is based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm. Maris & Spencer
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FINANCIAL TIMES STOCK INDICES

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Day's Low 2346.4

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9.65 12.49

FT-SE 100 Share

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Earning Yid %(full) P/E Ratio(Net)(☆)

SEAQ Bargains(5pm

Equity Turnover(£m)† Equity Bergains† Shares Traded (ml)†

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32,905 418.1

Day's High 1973.8

Day's High 2364,7

Cruickshank, raised his forecast for the current year's profits from £32.5m to £35m. He said that the company has had a good first quarter, with new capital equipment in castings and pressings coming smoothly on stream in July. Video distri-bution had also done well, said Mr Lahiri, during a normally weak period, partly because of the publicity surrounding the launch of the feature film Bat-

Mr Matthew Sutherland. who follows Parkfield at Kleinwort Benson, has been positive on the stock all this week. He quoted market tales which suggested that either the company's engineering or enter-tainment divisions might be floated off, or subject to an

Laird Group climbed 13 to 283p as dealers looked forward to any news that might be revealed with interim figures due on August 16. "They brought the figures forward and they never do that unless they have something to say," said a marketmaker. Westland and its warrants both put on 4 to 146p and 72p respectively, on stories that GKN would soon bid for the company. Although GKN already has a 22 per cent stake, more thoughtful marketmakers gave little credence to

Investors appeared to be looking to buy Arlington Secu-rities to earn the right to swap into British Aerospace convertible preference shares. As part of its agreed bid for Arlington. BAe has offered 10 new preference shares for every three Arlington ordinary.
The Kuwait Investment Office's 16.18 per cent stake in Arlington was placed in the market on Wednesday, and dealers said that there was no

shortage of buyers yesterday willing to pay above the odds for Arlington stock because of the attraction of the BAe preference shares. Arlington closed steady at 342p on turnover of 1.1m, while BAe ended 9 easier at 504p; dealers blamed the recent expiry of the August option on the stock for BAe's

 Other market statistics, including FT-Actuaries Share Index and London

Elders, stake in question

A growing belief that Elders IXI. has sold all or part of its 23.6 per cent stake helped brewer Scottish & Newcastle outperform the market against the background of good demand for the traded options and the underlying stock. Although there was no official confirmation that the stake had changed hands, the speculation was sufficient to lift S&N 9 higher to 404p on turn-over of 4.1m shares.

The talk in the market was that an overseas brewing group had bought the stake, but would not be using it to launch a full hid. Two names were mentioned; Anheuser Busch of the US and Löwenbrau of West Germany. The former was generally regarded as the more likely buyer, for

Anheuser has an agreement with Grand Metropolitan whereby the UK group brews and sells Anheuser's Budweiser beer in Britain. But Grand Met is thought to be keen to move out of brewing, so Anheuser could soon be looking for a new partner to take on the Budweiser opera-tion in the UK.

Secondly, Anheuser is build-ing a new leisure park in Spain to add to its many in the US. The park is said to be similar in style to those run by Cente Parcs, the recently acquired subsidiary of S&N. A joint operation to run European leisure parks, therefore, could be benefit both Anheuser and

the market's more resilient performers after the two top companies, BP and Shell, revealed generally pleasing second quarter figures.

Shell, announcing figures before BP, came out with his-toric cost net income of £1.006bn, compared with the 2633m in the same period last year. The results, at the very top end of estimates, saw Shell shares marked up to 4890 before the general market slide caused a reaction to 4840 at the close, a net fall of 1 1/2; turnover in Shell was a disappointing 2.1m, dealers said. Commenting on the figures, Mr. Hum-phrey Harrison at Kitcat & Ait-ken said the shares "remain a

Mr Nick Clayton at Smith New Court said the figures were "appreciably better than expectations" and he lifted his full-year forecast from £3.8bn to £3.95bn. BP's figures, accord-

ing to Mr Clayton, "underpin my full-year number of £1.7bn". For the second quarter, BP reported net income of £477m against £357m last time. Mr Fergus MacLeod at BZW took the accolade as the analyst coming closest to Shell's actual profits figure, but he said he was worried by the wide range of forecasts — from wide range of forecasts — from £3.5bn to £4.2bn — for the full year and also by uncertainties surrounding chemicals and refining, "It's difficult to see Shell shares outperforming in the near term," said Mr MacLeod As for BP, he saw "same problem but on a smaller scale - BP is less exposed to refluing.

Nylex disappoints

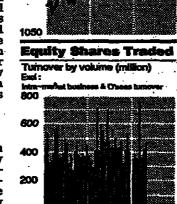
Much heralded figures from BTR's Australian subsidiary BTR Nylex marginally disappointed the market. The resulting downward pressure on the stock was exacerbated by memories of a set of excellent figures last time, which took investors by surprise and sent BTR's share price sharply

This week BTR's share price has been strong, ahead of the Nylex announcement, but yesterday it fell 9 to 419p, as 2.5m shares changed hands. BTR still faces two problems, said one analyst, in the shape of slow business with China since political disturbances there, and weakening margins as raw material costs rise. The Nylex results disappointed hopes that good profits might have her-alded a fresh move against Pilkington by BTR.
Burmah shares raced ahead,

outperforming the rest of the oil sector, with specialists talking of a single buying order of between 300,000 and 350,000 shares late on Wednesday that S&N, said analysts and caught the market short of stock and prompted a fresh round of stories of possible stake building. Burnah shares settled 12 up at 645p albeit in thin turnover of 668,000 shares. One dealer, who saw Bur-

mah perform in a similar fash-ion only weeks ago before the stock's sharp retreat, remarked sceptically "I'm waiting to see the takeover cash on the table before advising clients on what

Among other speculative sto-ries on Burman there was a wild rumour that a bid from Ultramar could be on the way. Which would create a com-



pany with the biggest ACT advanced corporation tax]
groblem in the UK market,"
said one analyst while there
was also talk that the shares was also talk that the shares were being talked up again to enable Dutch group SHV to place its near 4 per-cent holding in Burmah.

The move by Dutch group DSM to take a 9.7 per cent stake in Clyde Petroleum, by the performing two of its III with

Jun Jul Aug

transferring two of its UK sub-sidiaries to Clyde, was described by one analyst as "a bread and butter deal - mutually beneficial." Clyde added 2½ at 160p on the news. The lastest traffic and capacity figures from British Air-

ty ngures from British Airways did nothing to help the stock, which shed 6 to 1970.

Smith and Nephew posted an 18 per come windles rise to 261 am with the helped the shares to resist the winer him ket's weakness. They ended a penny better at 1380 on good volume of 4.3m shares.

A rare gain among weaker stores was posted by Dixons, which finished 3 better at 165p on turnover of 4.4m shares. Dixons were buoyed by heavy business in the options (contracts representing 2.5m shares were traded), buying for the dividend due on Monday, and by hopes that the retailer is beginning to turn around its business. One analyst who believes Dixons are worth a

NEW HIGHS AND LOWS FOR 1989

of Ross Young's, the Hanson foods subsidiary since sold to

United Biscuits.

director of LAMBERT

AGENCIES).

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MOROCCO ROYAL DECISION IN FAVOUR OF FOREIGN INVESTORS

In an effort to facilitate foreign investments in Morocco His Majesty King Hassan II addressed the following message to the Prime Minister Dr Azzedine Laraki

Economic development has always been and still is Our major preoccupation. It is all at once the indication of our society's cultural and intellectual level and one of the dynamic agents behind its promotion and prosperity. We have come to realize early enough that regardless of how great the efforts of the State are, Our goal cannot be fully attained without the massive contribution of the private sector whose action constitutes, particularly in the form of financial investment and know-how, one of the foundations of the development We wish for.

We have also come to realize for quite some time now that this contribution of the private sector could be effective only if it were fostered and assured of a legitimate degree of

With this in mind, We have taken or induced the taking of numerous measures which, in their totality, constitute Our Investment Codes. The advantages offered by these Codes are obvious inciting factors which have not failed to

produce their effects.

However, in view of the scope of the advantages offered, Morocco is falling quite short of the legitimate and reasonable expectations.

This inadequacy finds its major cause in the innumerable administrative procedures which, though necessary, are so slow as to discourage the most willing and best intentioned investors. Even when complete, files remain for months in the various departments while the interested parties await in total ignorance of the outcome.

Our economy can only suffer from this procedure which goes counter to our purpose.

We, therefore, have decided to put an end to that. Henceforward, any duly constituted file consisting of an investment project shall be considered as approved by the Administration when, two months from the day of its being handed in, no action has been taken. In case the file is rejected, the administrative decision shall be duly justified.

This measure - to be implemented immediately - shall be part of the provisions of all our Investment Codes where it is to be inserted.

Meanwhile, this measure shall constitute the object of a circular issued by the Prime Minister and sent out to all the State agents. Likewise, it shall be made known to the public by all appropriate means.

> HASSAN II King of Morocco

APPOINTMENTS

New chief for Magnet the end of last year. Before Mr Foulkes worked at Corah, he was chief executive

Mr John Foulkes has been appointed chief operating officer of MAGNET, the kitchen furniture company recently the subject of a management buy-out, writes Philip Coggan. Mr Foulkes was chief execu-

Magnet refused to comment on how Mr Foulkes' role would fit in with that of Mr Tom Dux-bury, chairman and chief exective of Corah, the textiles group which was acquired by Charterhall, investment vehicle of Australian business utive, who led the buy-out man Mr Russell Goward, at ■ Mr W.N. Bowen has been Mr Andrew Baxter, son of appointed a non-executive

the chairman, has been ppointed to the board of W BAXTER AND SONS. Mr Bill Raxters of Speyside, also joins the main board as director of sales and marketing.

Mr L.G. Fisher has been appointed managing director of ROBINSON BROTHERS, West Bromwich, from August

Mr Philip Craig has been appointed director of UK corporate finance at LONDON & CONTINENTAL BANKERS, international investment banking arm of the German DG Bank. He was a director of Minster Trust.

Mr John C. Condon has joined RIVER THAMES INSURANCE as director of underwriting.

Mr Harry Ropers has been appointed chairman of AITCH HOLDINGS, which he founded



Mr Graham Henderson (above) has been appointed financia control manager of ROYAL LIFE HOLDINGS: He was financial controller, personal finance division, Lloyds Bow-

 SCHLEICHER of West.
Germany has appointed Mr
Jack Costelloe as director of its UK subsidiary Schleicher & Co International, Crawley. He was general manager.

KEMIRA INCE, Chester, has appointed Dr John B. Davies as managing director from September 1. He joins from Texas Eastern North Sea Inc., where he is managing director - finance, based in London.

m Dr Neil French will be joining APV as finance director replacing Mr Chris Beenham who has left the company. Dr French is group financial controller of Lex Service.

Mr J.G. Quinton, chairman of Barclays Bank, has been elected chairman for two years of the COMMITTEE OF LONDON & SCOTTISH BANKERS. He succeeds Lord

Mr Ralph Apthorpe has been appointed publishing director of DISCOVERY PRESS. He was a director of Travel Weekly Publications.

Mr Don Cruickshank, previously managing director of Virgin Group and chairman of Wandsworth Health Authority, has been appointed chief executive of the NATIONAL HEALTH. SERVICE in Scotland.

m Mr Mike Beale has been appointed sales and marketing director, Mr Stephen Purchase as director of administration, and Mr Richard Middleton as



ASSOCIATED-HENRIQUES, specialist trade finance company, has appointed Mr Julian Spector (above) to the board. He is a director of subsidiary D.Q. Henriques, with responsi-bility for client relations and credit vetting.

group accountant and company secretary at GRESHAM GROUP.

■ Dr Martin Jones has been appointed managing director of KELVIN HUGHES, Hainault, Essex, marine equipment subsidiary of Smiths Industries. He was technical director.

■ Mr Philip Darcy has been appointed technical director, and Mr Joe Green construction director of CECIL M. YUILL,

FT UNIT TRUST INFORMATION SERVICE

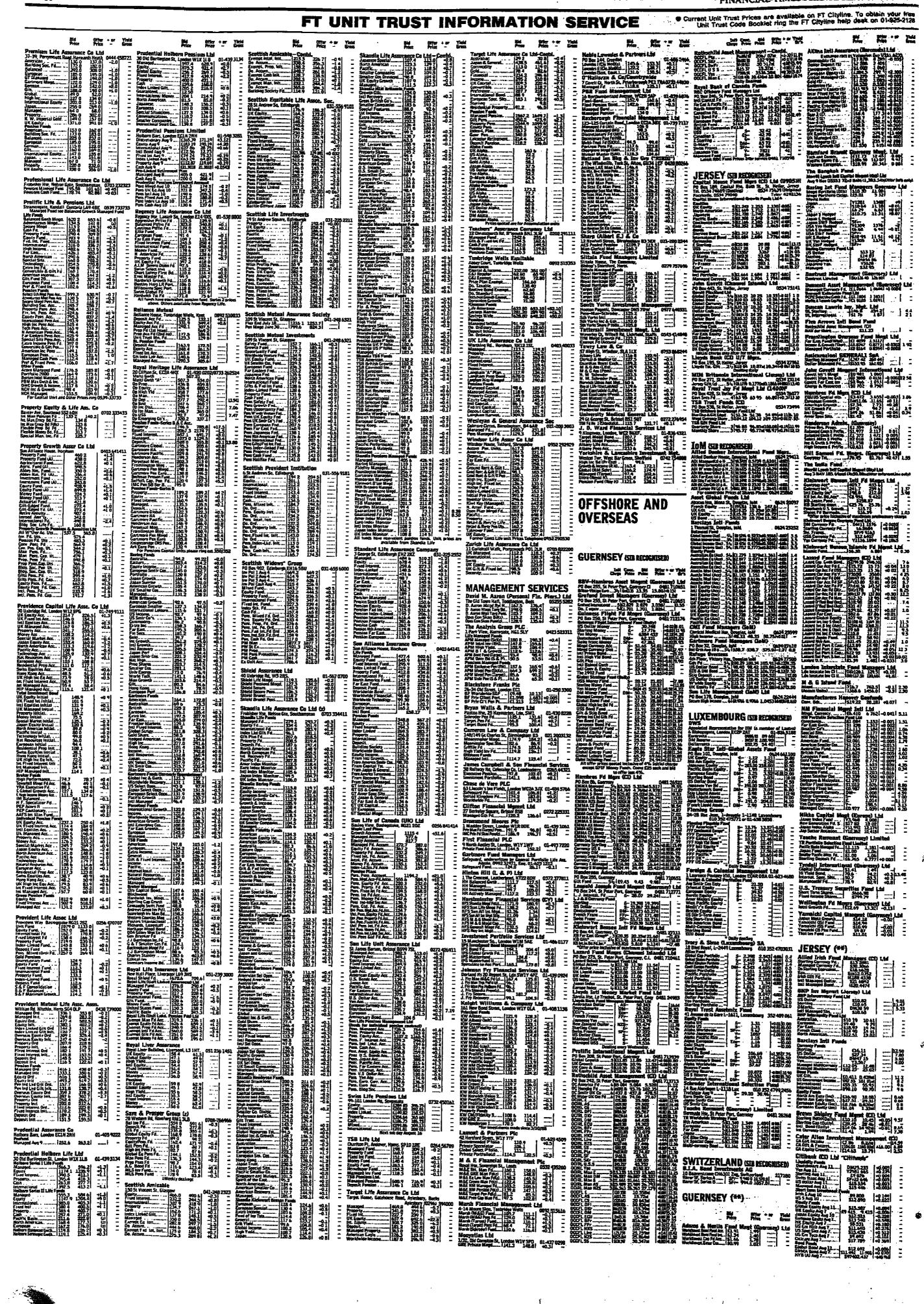
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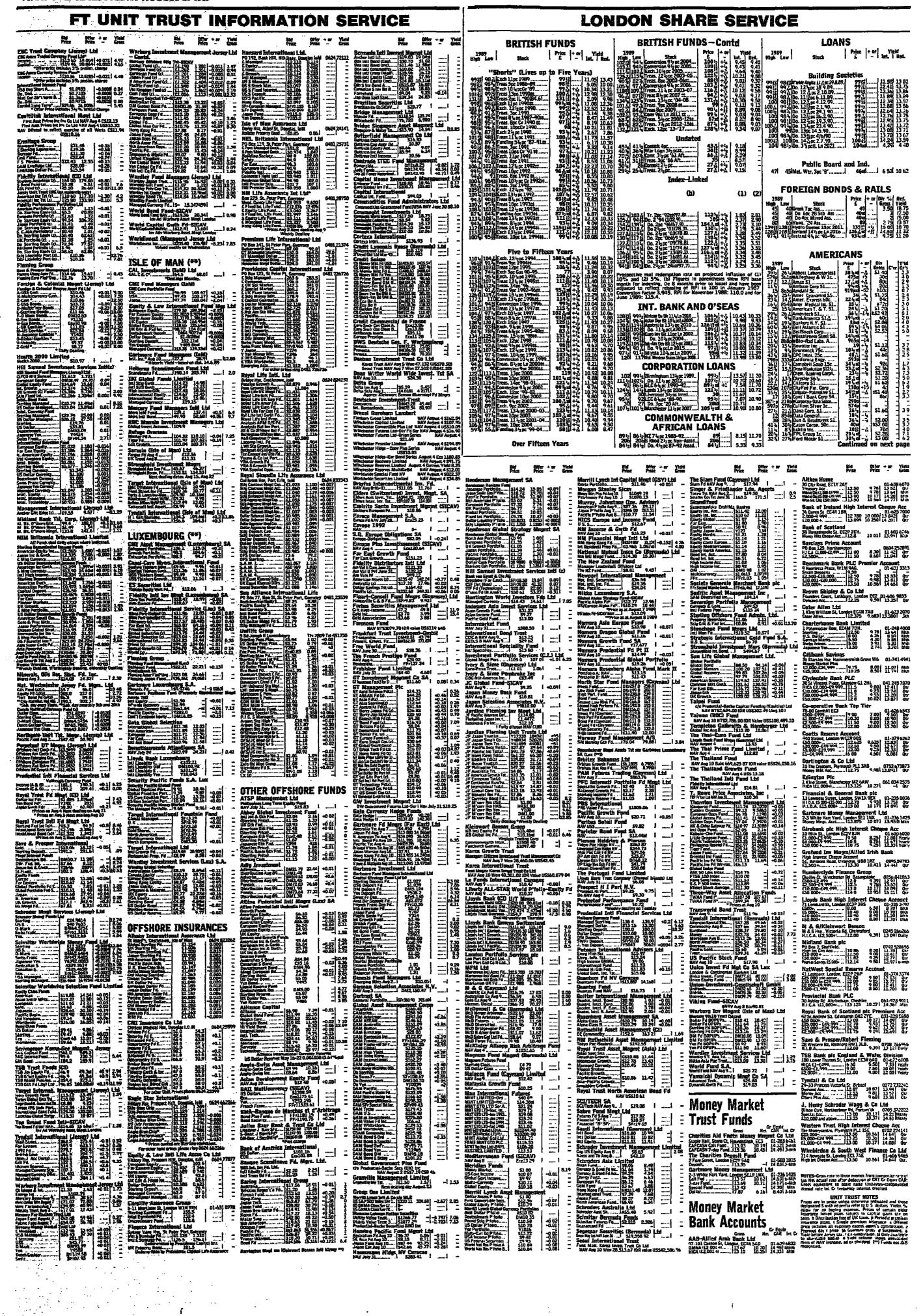
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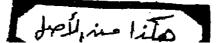
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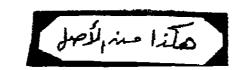
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ELDERS (U.K.) PLC

USS75,000,000 5% Subordinated Convertible Bonds Due 1997

If such offer is accepted Harlin Holdings would be the beneficial owner of or entitled to not less than 30% in nominal value of the voting shares in Elders INL Limited within the meaning of Section 7 of the code.

Bondholders are reminded that they are entitled to convert their holdings of Bonds into ordinary shares of Elders IXL Limited. The terms of conversion and the printed on each Bond. Bondholders the Terms and Conditions printed on each Bond. Bondholders should note that, in accordance with the terms and conditions of the Bonds, any shares allotted as the result of conversion after 30th June, 1988 will not qualify for the 1988/89 final dividend and form a separate class of shares to the ordinary shares of Elders IXL already in issue. Accordingly the proposed offer does not extend to any such shares.

Bondholders who are in any doubt as to what action, if any, they should take in the light of this notice, should consult their

£ 85,000,000 7% subordinated Convertible Bonds Due 1997

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Nervous dollar aids pound

after a nervous day. Sentiment was dominated by disappointing results to the first two legs more concerned about a recession and that of the US Treasury's quarterly refunding programme and by a gloomy outlook for the US economy, according to the latest evidence published by the Federal Reserve.

At one time the dollar threatened to test DM1.8800 and Y138.50, but stabilised at lows of DM1.8830 and Y138.65. Institutional demand for the dollar has not been particu-larly strong in Tokyo this week, encouraging speculation that overall Japanese demand at the US auctions would not

be strong.
Fears about the outcome of last night's 30-year bond auction increased after a disappointing result to Wednesday's 10-year note offering. It was estimated that Japanese investors took only about 15 to 20 per cent of the 10-year notes sold, compared with 25 per

cent at the May auction.
The attitude in Tokyo was that there is no shortage of US Government paper at present and there will be ample opportunity to purchase as much as required on the secondary mar-

2	IN NEW 1	/ORK
Apg. 10	Latest	Previous Close

12 months	. 7.40-7	.30pm _	6.77-6 67pm			
Forward premiums and discounts apply to the US dollar						
ST	ERLIN	g ine	EX			
	_	Apg 10	Previous			
8.30 an 9.00 an 10.00 an 11.00 an Noon 1.00 pn 2.00 pn 3.00 pn		92.2 92.2 92.3 92.3 93.3 93.3 93.3	921 929 921 920 920 920 920 920			

4.UO pm		922	719
CUR	REN	CY RA	TE\$
Ang.10	Bank rate	Special* Drawing Rights	European † Currency Unit
Sterling # U.S Dollar Canadian S Austrian Sch Belgian Franc Danrsh Krone Deutsche Mark Meth Guilder French Franc Italian Lira	7 12.36 5 7.75 91 ₂ 5 00 6 00 91 ₂ 131 ₂	1.27220 1.27354 1.49182 17.0043 50.5723 9.38281 2.41591 2.72347 8.16976 1737.62	1.48336 1.10020 1.29219 14.6052 43.4222 8.06118 2.07498 2.37498 2.37498 1493.08

CURRENCY MOVEMENTS				
Aug.10	Bank of England Index	Morgan ^{ao} Guarant <i>y</i> Changes %		
Sterling U.S Dollar Canadian Dollar Austrian Schilling Belgian Franc Dentsche Mark Sels Franc Galiter French Franc Lira	92.2 69.6 104.9 106.7 106.2 103.6 113.0 107.5 110.4 99.7	-19.3 -8.5 +19.6 -4.0 -10.4 +16.6 -13.3 -13.2 -18.4 -18.4		

1985-1009-Paus are for Aug. 9. OTHER CURRENCIES					
Aug 10	n Cunne	HC(ES			
AUG 10	ž.	ъ			
Argentuna Australia Brazili Finiapai Creece Hong Kong tran Korco/Sch) Kowalt Lucembourg Balasyla Mealco M Zealand Saudi Ar Singapore	1059-15-1068-30 2-1310-2-1335 3-7035-3-7235 0-935-6-9595 33-3-5-257-95 23-3-5-257-95 12-7190-12-7315 119-49- 1081-95-10-98220 6-30-6-4-9820 6-30-6-4-9820 6-30-6-4-9820 6-30-6-4-9820 1-75-10-1-180 1-75-10-180 1-75-18-180 1-75-18-180 1-75-18-180 1-75-18-180 1-75-18-180 1-75-18-180	650.00 - 655.00 1.3060 - 1.3070 2.7720 - 2.2830 4.1590 - 1.24.2610 4.1590 - 1.24.26 7.8040 - 7.8050 7.8040 - 7.8050 37.50 - 37.60 37.50 - 37.60 37.50 - 37.60 16735 - 1.6765 3.7500 - 3.7510 1.4385 - 1.6765 3.7500 - 3.7510 1.4385 - 1.6765 3.26685 - 2.6666 2.6685 - 2.6715 2.6685 - 2.6715 2.6685 - 3.7500			
	Value				

MONEY MARKETS

A FIRMER pound encouraged a slight easing of interest rates

on the London money market

yesterday. Three-month ster-ling interbank fell to 1311-13% per cent from 1321-132 but the move was largely technical - as

day-to-day credit remained in reasonably good supply - and was not a pointer towards a cutin bank base rates in the

Further guidance on the state of the UK economy and the likely direction of interest

UK clearing bank base lending rate 14 per cent from May 24

rates was looked for in the

publication of the Bank of England Quarterly Bulletin, but this came too late to have

any impact on the market yesterday.
The Bank of England ini-

tially forecast a money market

shortage of £350m, but revised this to a shortage of £300m in the afternoon. Total help of £251m pounds was provided. The authorities did not operate

in the market before lunch, but in the afternoon bought £66m

bank bills in band I at 13% per

cent. Late assistance of around £185m was also provided.

Bills maturing in official

hands, repayment of late assistance and a take-up of Treasury bills drained £451m, with a rise in the note circulation absorbing £55m and bank balances below target £45m. These

foreseeable future.

London rates ease

factors outweighed Exchequer transactions adding £220m to liquidity. In Frankfurt call money

eased to 6.80 per cent from 6.85 as credit conditions tended to

ease. There were two main fac-

tors: the West German Bundes-

bank fully replaced an expiring securities repurchase agree-ment this week, with an alloca-tion of DM19bn for a 35-day

pact and, secondly, reserve holdings of the commercial banks at the Bundesbank rose to DM60.9bn on Tuesday from

DM58.4bn on Monday and from

DM56.0bn on Friday. Banks reserve holdings for the first eight days of the month were DM58.2bn, against an expected average requirement for the

average requirement for the month of DM56bn.

month of DM560n.

This build-up meant that banks were more willing to offer funds on the open market. Dealers noted that call

money has only once been so

low since the Bundesbank raised official German interest rates by 1/2 point on June 30.

and suggested it was a sign that the central bank is keen to reduce the amount of borrow-ing at the 7 per cent Lombard emergency financing rate.

Lombard borrowing has been very small so far this month and was only DM100bn on Wednesday, after touching DM3 8hn at one time in Village

"Tan Book", published on Wednesday, underlined the fact that the central bank is sion than inflation and that this could result in a further

reduction of US interest rates. Lower interest rates were also suggested by Mr Nicholas Brady, US Treasury Secretary, when he spoke on US televi-sion about legislation to sup-port the savings and loan industry and face the problem of third world debt of third world debt.

Figures on US producer prices and retail sales will be published today, but unless these are well outside market expectation the impact is likely to be limited and the market's attention will turn towards the June US trade figures next Thursday.

THE DOLLAR lost ground on the foreign exchanges, but managed to finish above DM1.89 and Y139.00 in London

Another factor tending to push the dollar lower was the view that the Federal Reserve's are forecast to rise 0.5 per cent, compared with a fall of 0.4 per

cent in June.

At the close in London the dollar had fallen to DML8915 from DM1.9005; to SFr1.6305 from SFr1.6355; and to FFr6.3950 from FFr6.4225, but was only slightly lower against the yen at Y139.10 compared with Y139.20. On Bank of England figures the dollar's exchange rate index fell to 69.6 from 69.8.

from 69.8.

Sterling benefitted from the nervousness surrounding the dollar and from the pound's position as a high yielding currency. It rose 1 cent to \$1.6270 and climbed to DM3.0775 from DM3.0725. The pound also advanced to Y226.25 from Y225.00; to SFr2.6525 from SFr2.6450; and to FFr10.4050 from FFr10.3850. Sterling's Thursday. from FFr10.3850. Sterling's exchange rate index rose 0.3 to expected to rise 0.1 per cent.

Asg 10	Day's spread	Eloce	One month	% p.a.	Three months	% p.a.
IS	1.6225 - 1.6345	1 6265 - 1 6275	0.67-0 p4com	4.83	1.93-1.89om	4.7
anada	1 4055 - 1,5180	1 9055 - 1.90s5	0.25-0.18com	1.35	0 66-0.52zm	ij
etherlands.	3.46-3.47%	3464-3474	2-1 % cpm	6.44	51 ₂ -51 ₃ 0m	6.3
elgium	64 20 - 64 55	64.30 - 64.40	50-20cm	4 66	85-81pm	5.3
enmark	11 93 4 - 11.984	11934-11944	44-43 oregan	4.58	13 եր-12 երբա	42
eland	11495-1.1560	11530 - 11540	0 40-0 500m	390	1.15-1.05pm	3.8
Germany	3.07 - 3.085	30715-308	1 - 1 mpm	6.82	54-44pm	6.
orwgai	256.10 - 358.45	256.60 - 257.60	7-20cdrs	-0.63	65-13445	-L
pain	192.55 - 193.25	192.60 - 192.90	3-16cds	-0.59	26-41dis	-0.7
aly	2213 - 2219	22144 - 22154	4-2Hreom	163	8-6pm	Ľ
orway	11.26/2 - 11.30%	11.2619 - 11.2719	3-21 ₂ arepm	2.93	63-6400	2:
rance	10.39 - 10.43 -	10 40 - 10 41	414.4com	4,75	11 4 11 5 pm	4,0
weden	10.47 4 - 10.51 4	10.474 - 10 484	14-11 ₂ orepm	193 (43-1500	1.8
apan	2254 - 2274	225% - 226%	1 1 2 yem	8 29 1	51,41200	9,1
etria	21 58 - 21.72	21 65 - 21 68	13-11groom	665	35-31cm	60
WILZERIAND.	25472-266	2644-2654	1 - 1 - 000	679	415-414-000	ě
CU	1.4830 - 1.4885	1 4245 - 1 4875	0 58-0.55cpm	456	L58-1.53om	43

EMS EUROPEAN CURRENCY UNIT RATES									
	Ecu central raties	Currency amounts against Ecta Agg_10	% change from central rate	% change adjusted for divergence	Divergence host %				
Belgian Franc	42,4582 7 65212 2 05853 6,90403 2 31943 0.768411 1483 58 130 000	43.4222 8 0s.118 2.07498 7.01984 2.33958 0.777748 1493.08 129.989	+2.27 +2.66 +0.80 +1.68 +0.87 +1.22 +0.64 -0.01	+1.04 +1.43 -0.43 +0.45 -0.36 -0.01 +0.01	±1.5424 ±1.6419 ±1.1019 ±1.3719 ±1.5019 ±1.6689 ±4.0815				

DOLL	AR SPOT-	FORWAR	D AGAIN	IST :	THE DOL	LAR
Aug.10	Day's	Clase	One month	9% P.A.	Three months	°., ра.
K?elandt	1.6225 · 1.6345 1.4085 · 1.4160 1.1705 · 1.1745	1.6265 - 1.6275 1.4100 - 1.4110 1.1720 - 1.1730	0 67-0 64cpm 0.12-0 07cpm	4.83 0.81 -3.48	1.93-1.89pm 0.47-0.37pm 1.00-1.05dls	4,70 0,91 -3,49
eda etherlands . eigi em	2 1235 - 2 1350 39 40 - 39 65	2.1310 - 2.1320 39.50 - 39.60	0.33-0.35cdts 0.30-0.28cpm 2.50-1.00cpm	163	0 85-0 81cm 5.50-3.00pm	1.56 0.43
edinark 7. Germany ortugal	7.314 - 7.354 18230 - 1.8950 157 90 - 153.00	7.334 - 7.344 1.8910 - 1.8920 157.90 - 158.00	0 10-0 30eredis 0 33-0 30ptpm 60-75cdis	-0.33 2.00 -5.12	0 60-1.10ds 0.85-0.82pm 230-270dis	-0.46 177 -6.32
ain ai _f	118 00 - 118 60 1355 - 1363 6,90½ - 6,94	118 35 - 118 45	50-60cdls 3.30-3 80liredis 1 00-1,35credis	-558 -314 -204	158-16865 11-50-12-2065 4-05-1-4565	-5.51 -3.49 -2.46
orway rance recen	637 - 640½ 642¼ - 645½	6.394 - 6.394 6.44 - 6.445	0.07-0 12m/s 1.50-1 65ored/s	-018 -294	0.30-0.45dis 4.75-5.10dis	-0.23 -3.06
MA 18						

EURO-CURRENCY INTEREST RATES									
Aug 10	Short. Lerm	7 Days notice	One Month	Three Months	Six Months	One Year			
Sterling US Obilar Can, Dollar O, foulder Sw. Franc Destschmark FF. Frant Italian Lire B. Fr. (Cin) Yen Ven Asian SSing	124-12 73-74 64-65 7-63 93-94 11-9	138-138 9-8-3-2 124-12 7-4-7 7-4-4 9-4-113 8-3-8-4 12-4-113 8-3-8-4 9-3-8-1 9-3-8-1 9-3-8-1 9-3-8-1 9-3-8-1	134-134 134-134 124-12 74-7 7-54 94-114 84-84 54-54 85-85 85-85	1381-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	138-17-2-2-3-2-3-2-3-3-3-3-3-3-3-3-3-3-3-3-3-	13 4-13 4 82-87 4 11 4-17 4 7-3-6 12 9-8-7-1 12-12-12 82-5-14 82-5-1			

Long term Eurodollars: two years 814-816 per cent; three years 814-816 per cent; four years 814-816 per cent

EXCHANGE CROSS RATES										
Aug. 10	£	5	DM	Yeq	F Fr.	S Fr.	H FI.	Ura	E S	BA
£ Š	0.615	1.627	3.078 1.892	226.3 139.1	10.41 6.398	2653 1631	3.468 2.132	2215 1361	1.906 1.171	64.3 39.5
DM	0.325	0.529	1	73.52	3.382	0.862	盟	719.6	0.619	20.9
YEN	4.419	7.190	13.60	1000.	46.00	11.72		9788	8.422	284.
F Fr.	0 %1	1 563	2.957	217.4	10.	2.549	3.331	2128	1.83I	61.8
S Fr.	0,377		1.160	85.30	3.924	1	1.307	634.9	0.718	24.2
H FI.	0.268	0.469	0.888	65.25	3.002	0.765	1	638.7	0.550	18.5
Lira	0.451	0.735	1.390	102.2	4 700	1.198	1.566	1000.	0.860	29.0
C S	0.525	0 854	1.615	118.7	5.4b2	1.392	1.820	1162	1	33.7
B Fr.	1.554	2.528	4.783	351.7	16.18	4.123		3442	2.962	200.

FINANCIAL FUTURES

Sterling contracts below best

LONG-TERM gilt futures were slightly firmer on the Liffe market, in active trading of over 20,000 lots yesterday. The Bank of England's Quarterly Bulletin was published after the market closed, but the firmer tone was largely based on speculation that it would emphasise the need to fight inflation and advocate keeping interest rates high to support sterling. In general this proved

Market volume remained concentrated in September

Call-Sen 3-08 2-11 1-18 0-39 0-15 0-06 0-02 Estimated volume total, Calls 2145 Pots 1895 Province (tag's most lost Calls 14467) Pots 20441

LIFFE &	S OPTION	20 20 20				12000LLA is of 100°	2 0572010	······································	_
Striks Price 145 150 155 160 165 170	Calls-s Assy 17.55 12.55 7.55 2.55 0.01 0.00 0.00	17.55 12.55 12.55 12.55 3.48 1.25 0.31 0.05	Pris-4 Arg 0.60 0.00 0.00 0.01 2.49 7.48 12.48	000 000 0043 172 449 855 1329	Strike Price 9075 9125 9125 9175 9200 9225	C235-92 Sep 0 42 0 42 0 10 0 04 0 02 0 01	0.55 0.24 0.24 0.24 0.24	Psts-9 Sen 0.02 0.83 9.07 0.21 0.40 0.63 0.87	. i
Previous	i volume t lay's openi DNI CLI	otal, Catis int. Calis is	0 Pets 0 90 Pets 25		Estimate Previous S	S), 2 Obto 4 Adjaces p	(24년) 대로 Calid 6년	220 Pess 18 Pets 6	200 907

Estimated volume 21266 (10834) Previous day's open int. 30906 G0534) 7-18 YEAR 9% NOTIONAL CILI 550,000 32ms of 108%

Estimated volume 5474 (3217) Previous day's open int. 7878 (8453)

-	Des Mar Jun	87.12 88.00 88.49	87.18 88.05 88.53	87.10 87.97 88.48	87.10 87.95 88.46
- }	Est. Vol. Previous e	(inc., figs., ac tay's open le	t, shown) 1 L 94469 (8109 (1509 92747)	720 ·
-		01077 EURO 5 of 180%	OQULAK		
	Sep Dec Mar Jun	Class 91.39 91.72 91.90 91.80	Flight 91.42 91.75 91.93 91.85	Law 91.37 91.70 91.89 91.81	Pres. 91.48 91.82 91.97 91.88
	Est. Vol. Previous o	(lec. figs. no tag's open in	t shown) 6 L 50961. (877 (4831) 51245)	
		CACTH EUICO eints of 100°			
-	Sep No.	Gose 93,07 93,21	High 93.12 93.26	Low 93.07 93.27	Prey. 93 09 93 23

) !4		2) 3 Opta			
		anth Eulid ints of 100°			
t fire	Sep Dec Mar Jan	Close 93.07 93.21 93.37 93.46	High 93.12 93.26 93.42	Low 93.07 93.21 93.35	Prev. 93 09 93 23 93 37 93 42
		volume 313 zy's open lat		41780	
Fr.	FT-SE 100				
35 55	525 per fo	di index pela			
.91	Sep Dec	2353.0 2397.0	High 2374.0 2400.0	2352.0 2400.0	Prev. 2378.0 2422.0
4.4	Estimated Previous &	volume 2966 ay's open int	9 (2143) 19351 (9092)	
.82 .26	POUNTS (FOREIGN E	ZOHANCE	•	
.56 .05	Spot. 1.6270	1-mth. 1.6204		6-mth. 1.5898	12-mth. 1.5615
.76	DAN-STER	LING % per	£		
o	Sep Dec Mar	Lates 1.6236 1.6042 1.5900	1.6270 1.6080	1.6222	Pres. 1.6168 1.5978 1.5792

FT LONDON INTERBANK FIXING (11.00 a.m. Asq.10) 3 months US dollars 6 months US Dollars

The fixing rates are the arithmetic assure rounded to the searest one-skyteenth, of the bid and offered rates for \$10\times quoted by the market to five reference banks at \$11.00 a.m. each working day. The banks are Retional Westmoster, Bank Rate of Zelono Research Rate of Banks Rate of Zelono Research Rate of Banks Rate of Zelono Research Rate of Banks Rate of Zelono Research Rate of Rate of Zelono Research Rate of Rate of Zelono Research Rate of Zelono Rate of Z

_	N	IONE	Y RAT	'E\$		
NEW YORK			Treasury	Bills and	Bonds	
Lunchtime Priore rate Broker loag rate Fed funds Fed funds at intervention.	_ 101 ₂ 1	he month NO WORLD Intermenth It year Two year		8.23 Fost; 8.22 Five; 8.10 Seren 8.15 10-ye	8.02 8.00 8.02 8.05 8.08	
Aug.10	Overnight	Cice Month	Two Months	Three Mouths	St.z Montles	Lombard intervention
Frankfurt. Paris Zurich Ansterdass Tolopo Brussels Brussels Dublin	6 75-6.85 93-93-6 63-63-7 7.12-7 25 51-52-1 124-124-9 9.05-91-91	6.80-5.95 9-914 63-714 712-7.25 52-534 1212-13 84-88 93-93	6.80-5.95 9.91 - - 91-10	6.80-5.95 9-91, 63-71, 7.10-7.20 53-53, 123-134, 82-81, 93-101,	6.80-5.95 87 ₂ -9	7 00 8.75 - - - - - -

LONDON MONEY RATES								
Aug.10	Oversight	7 days notice	One Rionth	Three Months	Six Months	Оле Үеаг		
nterbank Offer nterbank Bid terling CDs. Ocal Authority Deps.	141, 135 135	13H	131 131 131 131	1314 1314 1318 1318	1312	134		
ocal Authority Bonds Discount Wist Deps Ompany Deposits Thance House Deposits Treasury Bills (Bily)	144	1311	15% 15% 15% 15% 14%	11111111111111111111111111111111111111	135 135	131		
lank Bills (Buy) The Trade Bills (Buy) Ollar CDs DR Linked Dep Offer		:	8.57	1341 134 8.70	128 131 8.55 8.5	8.47 84		
DR Linked Dep Bld CU Linked Dep Offer CU Linked Dep Bid	=	:	41° 61° 81°	10 mm	-3-3-3-4 1000 0	8.47 84 8 94 94		

delivery. Although the long gilt near-dated contract in mid-Sep-contract was firmer, it finished tember at the day's low of 97-03 com-

pared with 96-31 on Wednes-day. September gilts opened at 97-08 and touched a high of As far as short sterling is concerned, most activity has ment of 87.10. September US Treasury bond

nowmoved to December deliv-ery, reflecting a general view in the City that a cut in UK bank base rates is by no means certain by the end of the year, and is certainly most unlikely by the time of delivery of the

LIFFE OS TREASURY BOND FISTURES OFTIONS \$700,950 64th of 100% LIFFE BUND FUTURES OFTENS 2M250,890 points of 180%

M, CNS 27	m_ Calis 2740 Pars 3740		Previous d	2y's open a	n. Cus Li	499 PMS			
AR 07720KS	Tribuner's Pats-artilements Dec Sea Dec 1.06 0.02 0.09 0.05 0.03 0.13		LIFFE SHORT STENLING OPTIONS £500,000 points of 100%						
1.06	5ep 0.02 0.83	0.09 0.13	Strike Price 8500 8625 8650 8675 8775 8775 8750	Calls-or Sep 0.42 0.25 0.12 0.05 0.02 0.01	ttizments Dec 1.24 1.03 0.83 0.64 0.49 0.36 0.26	Puts 500 0.07 0.15 0.27 0.46 0.67 0.91 1.15			
total. Calls i	220 Pess	200	Estimated	volume t	nai, Calls I	1961, Pu			

U.S. TRI 5200,00	ASURY BONES 0 J2=ds ef 189	(CBT) \$7	6			E YEN CHAU			
See See	Lite: 97-07 97-04 96-23 96-13 96-05	Het 57-13 97-09 97-01 96-23 96-16 96-16	97-03 97-03 97-00 96-26 96-19 96-11 96-11	Pres. 97-23 97-19 97-11 97-03 96-27 96-19	Sep Dec Mar Jan	0.7216 0.7216 0.7272 0.7330	0.7229 0.7284	0.7212 0.7266 0.7330	Prev. 0.7229 0.7284 0.7336 0.7386
Mar Juzi	%-05	% 05	%-05	%-11 %-03 95-27		E NYEK (IM)			
Ses Dec Har	:	:	:	95-18 95-09	Sep Dec Mar	0.5308 0.5327	8195 0.5337 0.5339	0,530s 0,5325	9.5293 0.5314 0.5333
	ASURY MILLS as of 189%	mH6			·				
Sea	Latest 92_29	High 92-31	12.26	Pres. 92.36		enth Eurod 5 of 188%	KTAK (D	(MC)	
Des Mar Jon Seo	1274 1291	92.78 92.94	92.72 92.91	92.83 92.99 92.88 92.81	Sep Occ Mar Jun Sep Dec Mar Jun	Latest 91.39 91.72 91.90 91.90 91.39 91.36 91.35	High 91.40 91.74 91.92 91.82 91.40 91.40 91.40	1236 9136 9136 9136 9133 9133	Prev. 91,45 91,45 91,96 91,96 91,66 91,46 91,44
SWISS F SFr J25,	TRANC (TATAL) 988 \$ per 5F7				STANDAR SSOU thin	0 & POORS 5 of Jacket	OR BIDEX		
Sep Dec Mar	Latest 0.6156 0.6180 0.6205	Hiça 0.6165 0.6189 0.6210	Low 0 6149 0.6172	0 6141 0 6166 0 6191	Sep Dec Mar	13125 348 80 353.25 357.50	349.20 353.40 357.50	J47.50 351.90 354.55	Prev. 348.25 352.55 356.85

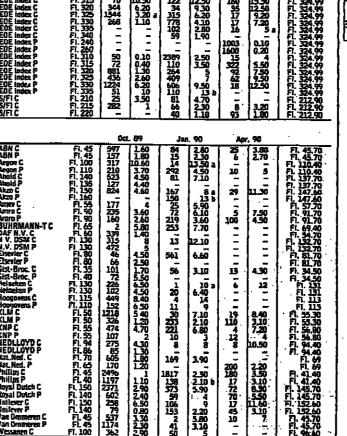
BASE LENDING RATES

	€;	%	%
ABN Bank	14	Clydesdale Bank	NatWestminster 14
Adam & Company	14	Comm Bk N East 14	Northern Bank Ltd 14
AAB-Albed Arab Bk	14	Co-operative Bank *14	Norwich Gen. Trest
Allied Irich Bank		Cootts & Co	PRIVATbasken Limited . 14
Hesty Acchedier		Cypras Popular 8k 14	Provincial Bank PLC 15
Associates Cap Corp	14	Denbar Bank PLC 14	R. Rankael & Sorts 14
Anthonity Back		Onecan Lawrie	Rozborghe Grantet 141 ₂
B & C Merchant Bank		Ecoatorial Bank plc 14	Royal Bk of Scotland 14
Bank of Baroda		Exeter Trust Ltd	Royal Trest Bank 14
Banco Elibao Viztaya		Financial & Geo. Bank. 14	● Smith & Willimso Secs 14
Bank Happatim		First National Bank Plc. 15	Standard Chartered 14
Bank Credit & Comm		● Robert Fleming & Co 14	TCR 14
Bank of Cypres		Robert Fraser & Pters 1412	United Bk of Krealt 14
Bank of Ireland		Girobank 14	United Mizrahi Bank 14
Bank of India		Saitress Mahon	Unity Trust Bank Pic 14
Bank of Scotland		HFC Bank plc 14	Western Trust
Basone Belge Ltd		● Hambros Bank	Westpac Bank Corp 14
Bandars Bank		Heritable & Gen Inv Bok 14	Whiteaway Laidlaw 14
Beachmark Bank PLC		HHI Sames \$14	Yorkshire Gank
Berliner Bank AG		C. Hoare & Co 14	10-11-00-11-11-11-11-11-11-11-11-11-11-1
Brit Bk of Mid East		Hosekone & Shareb 14	
Brown Shipley		■ Leopold Joseph & Sons 14	 Members of British Merchant
Business Mige Tst		Lloyds Basit 14	Bankley & Securities Houses
CL Bank Nederland		Megbra] Bank Ltd 14	Association. O Deposit pow 5.9%
Cherterhouse Bank		McDonnell Douglas Bak 14	Savewise 8.5%. Top Tier-£10.000+
Citibank NA		Midland Bank 14	instant access 12.8% & Mortgage
City Merchants Bank	14	Mount Banking 14	base rate. § Demand deposit 9%,
-		Nat Bk. of Kowait 14	Mortgage 13.25% - 15%

EUROPEAN OPTIONS EXCHANGE

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TOTAL VOLUME IN CONTRACTS: 68,530

Unconditionally guaranteed by, with non-detachable subordinated conversion bonds issued by, and with conversion rights into Ordinary Shares of ELDERS IXL LIMITED Trading volume in the Notice is hereby given in accordance with Conditions 11 and 15 respectively of each of the above Bonds that a Change in Control Event, as defined therein, has occurred. December month was over dou-

ble the level for September, at nearly 11.000 lots. December short sterling finished near the day's low at 87.12, but was above the previous day's settle-The Australian Stock Exchange (Adelaide) Limited has been netified that, subject to the consent of the National Companies and Securities Commission and finalisation of financing, Harlin Holdings Pty. Limited proposes to offer to acquire through the Stock Market in accordance with the Companies (Acquisition of Shares) Code (the "Code") all fully paid ordinary shares in Elders IXL Limited of any Shareholder who wishes to sell his holding at a prace of A\$3.00 per than

futures fell to 97-08 on Liffe from 97-24, on nervousness ahead of the US Treasury's auction of \$9.75bn in 30-year

Previous day's open jat, Calls 33002 Pets 22820

SPONSORED SECURITIES

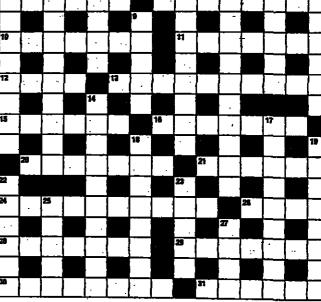
3.0 10.6 -5.1 - 1.6 8.8 -9.5 12.6 4.0 12.4 3.2 10 1 9.4 2.7 11.1 ities designated (SE) and (USM) are dealt in subject to the rains and regulat

Stock Exchange, Other securities listed above are dealt in subject to the rules of TSA. These Securities are dealt in strictly as a matched burgain basis. Nation Granville Limited nor Granville Device Limited are market makers in these securities.

* These securities are dealt on a restricted t	asis. Further details available
Granville & Co. Ltd. 77 Marsell Serect, London El 8AF Telephone 01-488 1212 Member of TSA	Granville Davies Limited 77 Mansell Street, London El SAF — Telephone 01-488 1212 T Member of the Stock Eschange & TSA

CROSSWORD

No.7,009 Set by HIGHLANDER



ACROSS ACROSS
1 Fitting propeller needs almost four feet cut out (6)
4 Guard's combat outfit (8)
10 Cultivated like sugar (7)
11 Opening exposively with popular, clipped, high-pitched sound (7)
12 Because rider is associated with snakes (4)

with snakes (4)
13 Engage penman expert at reproducing letters (10)
15 Problem with Elgar's varia-

tions (6)

16 Man next in line first, they say, for special post (7)

20 Silver shell on beach (7)

21 This month record is in agreement (2,4)
24 Share promotion is first choice (10)
26 Comedian receives royal

summons (4) 28 Ceremonial carriage convertible to chair (7)
Acme, the original cutter (7) 30 Turning pale, then becoming a beast (6)
31 Among the best at using

rank (6)

1 One with a share in separate area of land by the sound of 2 Bad time of year for children (9) Service on several missions, including long periods in

USA (4) 5 A very quiet finish ahead of nine for rider (8) 6 Leave people little time in specialised division (10)
7 First of shops in way out surroundings to survive (5)
8 Very sweet but insincere (6)
9 Method of dating party member's spontaneous comment (2-3)
14 Surplus is admitted by mischievous bankrupt (10)
17 Tree insect is confused disoriented and cross (9)
18 Not well used to being victorious (8)

rious (8)

19 Fail to observe so much that's above reproach (8)

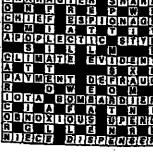
22 Father in pain is brave (6)

23 Son affected to be a little monkey (5)

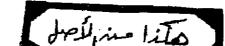
26 With long time bridge opponents one needs a rubber to do it (5)

do it (5)

27 Southern resting place for young northerner (4) Solution to Puzzle No.7,008

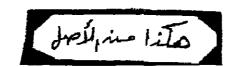






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WORLD STOCK MARKETS SWEDEN Aspast 19 AGA B Greek AGA B Greek Asta-Loral B Greek Asta-Loral B Greek Asta B Greek Asta S Greek Estelize B Greek Estelize B Greek Estelize B Greek Sandra B Free Pharmacia B Greek Sandra S Greek 2,275 5,220 4,140 19,050 16,800 1,600 1,470 255 180 1,002 172 280 720 672 673 307 46 420 208 275 280 1173 1470 1470 1470 1470 1470 1470 は からかなからない。 영국부 | 아무런무현자무건가무수상수송 | 얼구부수 | 수수수를 | 무슨 등을 무료 중을 보고 무슨 | 아무슨 | 12432 8 1282 8 6533215 2 56500 Horsham † 402 H Baylin s 2714 H Baylin s 2814 Inasco L 28573 Inter City s 28573 Inter City s 28573 Inter City s 2759 Internet s 2751 Lobelt s 2757 2pm prices August 10 14835 AMICA Int. 14835 AMICA Int. 14835 AMICA Int. 1590 Agarbo E 1590 Agarbo ETHERLANDS Angust 10. Eco Electrofin're Elf-Aquitaire Oo. Certs Epoda-Bertrand Estion Electrofin's Electrofic (Fin.) Electrofic Elec 875 197 2.292 3.193 2.292 3.198 3.19 Do. Pig. Certs. Zatober Hall Pog. Zatober Hall P おからいっちゅう 3 क्षित्रक्षक्ष्वतः नेक्षन्त्रप्रकृष्ट्रीः भ्रक्षक्ष्यक्ष् gast 10 -175 -19 -190 +140 केंक्क्ष्रेक हैं। केंक्क्ष्रे Series Reinsce _ Do. Pry. Series Volleshit thaion Bank _ Do. Pry. Whaterther _ Do. Pry. Zurich ins __ Do. Pig. ___ Do. Pig. ___ INDICES **NEW YORK DOW JONES** gast 10 Low 2.6 19.35 15.5 100 312 43.75 47 1972 AUGUST AU Xigh 5.301 9.900 9.900 5.413 9.000 1.357 5.050 1.357 2699.17 (8/8) 94.15 (2/8) 1406.29 (9/8) 221.64 (8/8) 93.62 93.84 93.83 1406-29 1355.80 1344.06 1250.00 220.32 221.64 221.52 218.18 5519.30 (4/1) 4Day's High 2725.15 (27)8.511 Lon 2678.11 (2676.97) 1445 1865 77.55 94.5 17.55 19. 349.41 (7/8/89) 399.68 (8/8/89) 33.59 (7/8/89) 349.41. (7/8) 399.68 (8/8) 33.59 (7/8) 723.3 (4/1) 399.68 | 399.26 | 393.14 502.5 121.3 33.59 33.20 506.5 121.9 Geniga Generali Assicu Gilardini Inda 194.23 68/80 381.15 19/80 463.30 68/80 194,23 69/8/89) 381,15 69/8/89) 463,30 68/8/89) 4.46 025141420 29.31 19121720 54.87 (31,110,172) 380.96 379.18 376.10 -025 #012 #025 463.30 461.73 457.42 2093.61 (5/6) -15 3.44 3.47 Aug 2 July 26 July 19 3.28 2.90 2.92 14.43 14.22 14.10 NEW YORK Ang 9 Aug 6 Millions Aug 9 Aug 8 Aug 7 + gr -|-0.03 |+0.06 |-0.1 |+0.01 140RWAY Osio SE (2/1/83) . 638.28 632.70 625.83 629.00 SINGAPORE Strains Times Ind. (30/12/66) 1379.86 **ය** 1361.76 1351.74 2.755.986 2.755. 1285555 R888888 1663.0 1657.0 2747.0 2743.0 311.78 311.81 315.90 (13/6) SWEDEN Jacobson & P. (31/12/56) . __ 2028.81 2033.87 2031.34 2017.66 2033.87 (8/8) 1677.48 (3/1) 4576.1 (10/8) 3333.9 (3/1) SWITZERLAND Swiss Bank Ind. (31/12/58) .. **NEW YORK ACTIVE STOCKS** 816.0 821.7 810.0 WORLD M 5. Capital Incl. (1/1/70).... 547.6 547.4 TOKYO - Most Active Stocks Add the FT to your Thursday August 10 1989 Paper Assets: portfolio. Call for a Closing Charge Prices on day 3,680 +440 880 -20 1,200 -30 1,880 0 796 -18 3 17877 18 187588 7 178 personal subscription. U.S.: 1-800-344-1144. Canada: 1-800-543-1007.

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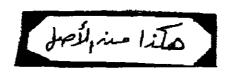
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Nasdag national market 3pm prices August 10

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257 155 UBC pf 1.4 gures are unofficial. Yearly highs and lowe reliect the E2 weeks plus the current week, but not the latest in. Where a split or stock dividend emounting to 25 more has been paid, the year's high-only range and tre shows for the new stock only. Unless otherwises so of dividend are annual disbursements besed on the leration, and the stock only. Unless otherwise idealine, the stock of the stock of the stock c-liquidating dividend, cid-called, d-new yearly low. c-liquidating dividend, cid-called, d-new yearly low. declared or paid in praceding 12 months_d-dividend in tands, subject to 15% non-residence tax. I-dividend that split-up or stock dividend. I-dividend paid this led, deleared, or no action taken at latest dividend. GRIVE 1.16
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shares because of its involve-ment in some new and promis-ing project, index funds buy issues. according to their weighting in an index.

So far, however, the signs are that such funds are not a big enough force to have the feared effect, says Mr. Suzuki. Index funds account for less than I per cent of the market's entire capitalisation, well bahind levels in the US where they make up about 9 to 10 per

they make up about 9 to 10 per cent of Wall Street's capitalisa-tion "Their impact (in Japan)

so far is mainly on the mar-ket's mood."

either Mr Yamazaki nor Mr Suzuki thinks that old-style fund managing based on experience and market instinct will go out

of fashion completely. For one thing, "investors are not always all that practical," says

Mr Suzuki. They think that if they had invested more actively on their own, they would have been able to beat the index. In terms of investor

psychology, he says, it is diffi-

cult to leave everything up to

As far as the Japanese mar

ket is concerned, institutions tend to invest more actively as

the end of their business year

approaches in order to meet certain profit goals. At times like that, says Mr Suzuki, they

will not want to leave it all up

passive invesment.

Lively speculation helps to offset nervous selling

FURTHER bursts of takeover speculation offset nervous profit taking yesterday to leave the Dow Jones Industrial Average modestly higher, writes Janet Bush in New York

At 2 pm, the Dow was quoted 10.24 points higher at 2,696.32 on heavy volume of 121m shares. Takeover rumours sur-rounding Procter & Gamble, which also announced higher earnings yesterday, gave the index considerable help. Proc-ter & Gamble shares were quoted \$3% higher at \$122 in

midsession. Other major indices, including the Standard & Poor's 500, the American Stock Exchange Index and the Nasdaq Composite, were all quoted lower at

The Dow Jones Transportation Average continued to rally strongly as UAL piled on more gains and other airline stocks felt the benefit. At midsession, the index was quoted 13.51 points higher at 1,419.80 with UAL up \$9% at \$253%, AMR \$% higher at \$77% and Delta up \$% at \$79%.
Airline stocks were boosted

when the possibility emerged for the first time that UAL would consider the bid by Mr

SOME bourses crept to new highs in spite of widespread

profit-taking, and takeover talk

kept Paris on the boil, writes

PARIS was disrupted by industrial action taken by

supervisory workers at the bourse. This delayed the start

of trading on the continuous

market but did not affect the

six stocks which are still

In spite of the problems,

activity continued apace in the

takeover arena as investors

took a second look at the impli-

cations of the Suez bid for

Compagnie Industrielle, the key shareholder in the Victoire

insurance group.
Suez. which had dropped

FFr13.50 on news of the bid, clawed back FFr11.50 yesterday

to FFr367. The selling on

Wednesday was triggered by fears that Suez would have to

make a rights issue to finance

the takeover, and this now One analyst said investors

were realising that if Suez

aimed to buy parts of itself —

it already owns 30 per cent of Victoire and 18 per cent of Industrielle – its highly priced bid would substantially revalue a lot of its own assets.

There was a feeling that Mr

Jean-Marc Vernes, chairman of

Industrielle, might even launch

a reverse takeover with the help of Ferruzzi of Italy and

Paribas of France. And even if the Suez bid were to fail, the

short-term view was that the

banking group would benefit

with a very large capital gain on the sale of its stakes.

One of the biggest moves yesterday was in Alspi, a hold-ing company with a large stake

in Centenaire Blanzy, which in

turn owns 16 per cent of Indus-trielle. Alspi soared FFr124, or

Wednesday came off in busy profit-taking, with Drouot fall-ing FFr20 to FFr534. The OMF 50 index shed 1.38

to 508.3. According to bourse

29 per cent, to FFr550. But other insurance stocks which had jumped sharply on

traded by open outcry.

Our Markets Staff.

Marvin Davis and all other "possible financial and strategic alternatives."

This statement by UAL effectively opens the door for other potential bidders. Pan Am has said that it may be interested in bidding for UAL if it is for sale and there are rumours that Kohlberg Kravis Roberts, the buy-out specialists, may be another possible suitor.

The equity market is strug-gling if the airline sector and other areas profiting from takeover speculation - such as hotels and casinos - are

removed from the picture.
Its failure this week to hold above 2,700 and advance to its all-time high of 2,722.42 set in August, 1987, has encouraged profit-taking. There were a number of failed attempts to rally on Wednesday in heavy volume which suggested a broadening of profit-taking.

A declining bond market, which has come under pres-sure because of poor demand at this week's quarterly refunding, has also proved a drag on equities. Both stock market and bond market par-ticipants were yesterday keenly awaiting the results of the 30-year bond auction, the last of the quarterly refunding. Wall Street has already been left with a considerable

Takeover activity keeps

Paris alive despite strike

figures, the opening CAC General reached an all-time high of

508.3. up 1.8. Turnover was

held back by the industrial

FFr1.5bn to FFr2bn.

and domestic buyers.

action and was estimated at

FRANKFURT showed signs

that the long-predicted consoli-dation might be settling in, in spite of reaching further year's

highs. Strong gains early in the session were whittled away as

interest waned among foreign

investors - with the possible

One salesman commented:

The DAX index edged up 1.22

points to another year's peak of 1,609.93 — well below its day's high of 1,619.26. The FAZ index, recorded at midsession,

rose 4.56 to a post-crash high of

664.22. Turnover was still beavy at DM6.3bn.

was calming down, explained

the salesman, was the sudden

rise to prominence last week of chemical and steel stocks,

which had lagged the market.
"This is traditionally a sign
that things are peaking out."
Yestarday

their weightings in Europe. RWE, the utility, picked up

DM2.70 to DM341 on news of a 45 per cent rise in group sales, and hopes that it might raise

its dividend. Engineering stock Deutsche Babcock gained DM8.50 to DM218.50, partly on

speculation that RWE might

take a stake.
STOCKHOLM reached

another record high as institu-tional investors returned to the

market and turnover was

pushed to its highest level for weeks – worth SKr437m. The Affärsvärlden general index

rose 15.2 to 1,350.2.
Asea continued to rise after

Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited. 1987 Latest prices were unavailable for this edition. Markets closed August 9: Malaysia and Singapore. Constituent change 10/8/89: Deletion: Alsthom (France).

One indication that the rally

"Consolidation would be

extremely healthy, as the longer the market went without it, the sharper the correction

exception of the Japanese -

amount of the three-year and 10-year paper sold earlier this

The market was also turning a little more cautious yester-day as traders positioned themselves for today's producer prices and retail sales figures for July. The PPI is expected to have been flat to only slightly

higher last month.

Technical equity analysts noted that the tone of the mar-ket has started to deteriorate using a number of technical measurements.

Hotels and casinos, a sector which has attracted a lot of takeover rumours, started strongly yesterday. Prime Motor Inns added \$1% to \$36% and Holiday Corp gained \$% to

Among featured individual stocks was Tambrands, which surged \$4 to \$72% on a press report that Centaur Partners had bought a 3 per cent stake in the company. There were also rumours that Procter & Gamble might consider making

Rorer Group was another company benefiting from takeover speculation. Its shares rose \$% to \$44% in heavy trading, but the company said it knew of no reason for this

the strong half-year results from Asea Brown Boveri; it

gained SKr15 to SKr665.

AMSTERDAM ended lower on profit-taking and a weaker dollar after reaching new highs

on most days for the past two weeks. Second quarter figures

from Philips and Royal Dutch

yesterday were in line with or

slightly below high expecta-

tions, causing disappointment.

1.5 to 196.4 in active turnover worth Fl 910m. Philips fell

Fl 1.20 to Fl 41.40 and Royal

Publisher Elsevier gained 90 cents to Fl 81.70 amid rumours

that it would make a statement

soon on extending its co-opera-tion with the UK's Pearson.

close only slightly lower. The

main influence on investors

was the need to square posi-tions before the end of the

account next week. The Comit

taking, but late demand from

institutions lifted shares off

lows. The Crédit Suisse index

weaker, with the general index off 0.03 at 311.78. There was caution about the July infla-

tion figures due next Monday,

dealers said, which could show

added 4.61 to 498.42. Norsk Data retreated after

Mr Rolf Skaar, founder and

president, resigned and the

company said it expected a first quarter loss before extraordinary items of NKr240m. The free B shares

BRUSSELS finished mixed to firmer. Groupe AG, the leading insurer, was the best performer on speculation that it would

links, succeeds in its bid for control of Victoire. It jumped

shed NKr2 to NKr37.

BFr350 to BFr9,100.

MADRID closed marginally

index slipped 1.41 to 702.53.

ZURICH declined on pro

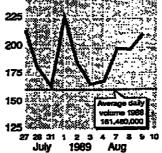
eased 1.4 to 666.0.

MILAN trimmed its losses to

Dutch Fl 1.60 to Fl 145.70.

The CBS tendency index lost

NYSE volume



Rochester Telephone surged \$8 to \$89% after a report in the US business press about the positive prospects of independent telephone company

National Semiconductor jumped \$% to \$7% in active trading on vague rumours that the company may receive a

Canada

RETREATING stocks were just outnumbering advancing ones in Toronto at midsession. while the leading index stayed above the 4,000-mark. The composite rose 1.0 to 4,004 at midday.

SOUTH AFRICA

THE FIRM tone continued in a quiet Johannesburg stock mar-quiet as renewed speculative interest in selective issues helped fortify prices.

ASIA PACIFIC

Fears of interest rate rise trigger selling

Tokyo

KEPCO, the state-owned South Korean utility, began trading at Won22,000 in Seoul yester-day and rapidly rose by the maximum daily limit to close at W23,000, with 100 times more bids than offers, Reuter reports. This compares with an offer price of W13,000 (\$19.5). The market ended only ightly higher after early gains were trimmed. The com

The day's high was 34,911.16

The Topix index of all listed shares fell back 3.78 to 2,640.13. in the second section, however the Topix index surged 17.67 to a record high of 3,164.26, reflecting growing interest in smaller stocks. In London trading, the ISE/Nikkei 50 rose 2.83 to 2.102.21

Before the release of US

DISAPPOINTMENT that domestic interest rates were likely to move upwards induced a round of selling which, combined with profittaking by index funds, led share prices lower in thin trad-ing, writes Michiyo Nakamoto in Tokyo.

Prices were mixed throughout the day, with a number of specific issues rising to histori-cal highs while wide-ranging selling led many interest ratesensitive issues lower.

Selling by index funds also undermined the Nikkei aver-

posite index, in which Kepco will be included in a month's

which closed 139.147 lower at 34,719.80. Index funds tracking the Nikkei average have kept a lid on its rise, as they have come in to take profits as the

time, rose 2.21 to 917.08.

while the low was 34,708.56 Declines outnumbered advances by 583 to 346 while 172 issues were unchanged. Turnover remained sluggish at 673m shares.

benefit if Suez, the French group with which it has close unemployment figures for July, investors in Tokyo had been cheered by signs that

Osaka, posted a strong Y490 the All Ordinaries index clos-gain to Y4,120. the All Ordinaries index clos-ing 14.0 lower at 1,681.3. There eral high technology stocks fell into this category.

NTIL recently the years ago. At Nikko Securities, Tokyo stock market which was one of the first was, in at least one firms to introduce the concept

of high-technology investment

to Japanese clients, the amount of funds using com-

puter programmes has grown more than tenfold in the past three years, from Y335bn (\$2.4bn) in September 1986 to nearly Y4,000bn last month. Trust banks and life insurers

have been quick to pick up on the new trend. Sumitomo Trust and Banking became the first in the industry this May to introduce a fund that tracks

indices, such as the Nikkel 225 and the Nikkel 500. Several of

the large life insurance compa-

nies are said to have shifted a substantial amount of their

tokkin (specified money trusts) money into index funds. "Index funds have already

spread in the Japanese mar-ket," says Mr Norio Watanabe,

director of Credit Suisse Invest-ment Advisory Co. "Just two

or three years ago we had to explain to investors what index funds were, but that has

investment tools using computer technology, is closely linked to the liberalisation of

Japan's financial markets. As

the competition grows, fund

managers are under increasing

pressure to improve their per-formance.

he growing interest in index funds, and other

was, in at least one

respect, fairly transparent. At any given time, it was easy to

see whether the active players were institutions, individuals

In recent weeks, however,

while most of these investors have been sidelined, worrying

about the political turmoil and

currency instability swirling around Tokyo, a relatively new

group of buyers, index fund managers, has been making most of the running.

most of the running.

High-technology investment in general, and index funds in particular, have come to the fore in the past few months although interest has been growing steadily over the years. Securities firms have

received countless calls from individuals wondering if they

can buy into index funds and the local media have trum-peted the emergence of a force

that could change the nature of trading on the Tokyo market.

An index fund consists of a portfolio of stocks that make

up a particular index and it

attempts to track the index in performance. A fund which tracks the Nikkei average, for example, has all the Nikkei's

The number of funds using computerised investment strat-

egies, such as index funds, has

increased significantly since

they were introduced several

225 issues in its portfolio.

or foreigners.

North America. Recent remarks by officials at the Bank of Japan, however, have suggested that, due to a booming economy, interest rates in Japan are more likely to go up. Some economists have even predicted another rise in the official discount rate, although not in the immediate future.

Growing concern over interest rates spread gloom in a market that was already sluggish amid a lack of incentives and buying focus. Investors gave up issues that are considered sensitive to interest rate fluctuations, such as large capital steels. Nippon Steel fell

Rather than buy low-priced issues in huge volumes, inves-tors concentrated on buying high-priced issues which offer greater price movements. Sev-

Sony, for example, surged Y440 to Y8,680 and Fuji Film advanced Y230 to Y4,590. Both appeared in the list of 10 most actively traded issues. Sony was also favoured for its business performance and low price/earnings ratio.

Share prices surged in Osaka, buoyed by strong inter-est in companies based in the Kansai area – that is, Osaka, Kyoto and the surrounding area - and laggards in the foods and pharmaceuticals sec-tors. The OSE average, which advanced 213.10 to 34,840.56, overtook the Nikkei average in number of points for the first time since July 11 last year. Nintendo, based in Kyoto,

rose Y1,700 to Y18,200 and Nis-

Roundup MOST Asia Pacific markets weakened, with Singapore the only leading exchange to buck SINGAPORE came back

Index funds remould Tokyo market

Michiyo Nakamoto examines the surge in computerised investment

Until recently, says Mr Taka-

yoshi Suzuki, manager of the Investment Technology & Research Division at Nikko Securities, fund managers did not need to account for their

performance and were content

performance and were content to beat the interest rate on call money, for example. Few fund managers made gains anywhere man the rise in the Nikkei or Topix indices.

The growth of the pension

fund market and the planned opening of the management of corporate pension funds, esti-

mated at over Y30,000bn, to greater competition next year

promises to change all that Mr Yukio Yamazaki, also of Nikko, points out that eight of

the top 10 performing funds in the past three months used

high-technology investment techniques. "Institutional investors will not be able to buy equities any more without using index-linked funds." he

As their presence is increas-

ingly noticed on the market, concern has also arisen that index funds which passively

buy and sell shares without

regard to a wide variety of market forces could become an

A decline in the influence of market themes, which have supported gains by rallying interest behind specific shares,

has been blamed on the

onslaught of index funds.

Instead of buying a company's

added source of turnoil.

from Wednesday's national holiday in bullish mood, clim-bing on foreign and local buying, which was boosted by bet-ter-than-expected economic growth in the second quarter. The Straits Times industrial index gained 18.10 to a post-crash high of 1,379.86. Turnover was a heavy 113m shares.

Recent strong interim results helped banking and shippard stocks, with UOB foreign up 35 cents at S\$6.80. AUSTRALIA had a second

before pext Tuesday's Federal Budget and the balance of pay-

ments figures for July, due on Wednesday. BTR Nylex rose 4 cents to A\$5.76 after reporting first-half profits up 89 per cent. HONG KONG declined amid

rumours of the death of Chen Yun, chairman of Peking's Central Advisory Commission. The Hang Seng index lost 18.63 to 2,608.68 in turnover of HK\$1.3bn, up from Wednes-

day's HK\$965m. Shui On, the property group, gained 44% cents to HK\$2.22% after its suspension on Tues-day. On Wednesday, Mr Vincent Lo, its chairman and con-trolling shareholder, announced a plan to take the sin Food Products, based in session of profit-taking, with company private.

Yesterday, there was rumoured to be heavy buying of chemicals by Japanese investors, who regard the West a rise of between 1 and 1.1 per-SmithKline Beckman Corporation centage points — one of the highest this year. OSLO rose on higher oil prices and the all-share index index approached higher lev German sector as relatively cheap and are looking to raise

bave merged to form

Beecham Group p.l.c.

and

SmithKline Beecham

a new company capitalised at more than

£8,000,000,000

The largest cross-border merger ever completed

Beecham was advised by

Kleinwort Benson Limited

July 1989

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS _	WEDNESDAY AUGUST 9 1989						TUESDAY AUGUST 8 1989			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989 High	1989 Low	Year ago (approx)
Australia (85)	149.78	-0.5	137.33	129.70	-0.3	4.69	150.59	137,31	130.06	157,12	128.28	147.73
Austria (19)	138.42	-0.8	126.91	136.89	-0.4	1.78	139.56	127.25	137.42	139,56	92.84	84.40
Belgium (63)	135.98	-0.3	124.68	133.80	+0.1	4.13	136.37	124.35	133.68	137.97	125.58	110.77
Canada (124)	153.21	-0.1	140.47	129.91	0.2	3.08	153.36	139.83	130.15	153,36	124,67	118.80
Denmark (36)	203.54	- 2.8	186.62	204.37	-2.3	1.53	209.39	190.92	209.25	219,89	165.35	120.00
Finland (26)	138.63	- 1.0	127.10	124.69	-0.6	2.19	140.05	127.70	125.50	159,16	125.81	125,42
France (127)	129.97	-0.2	119.17	130.94	+0.2	2.69	130.25	118.76	130.65	133,44	112.57	89.43
West Germany (100)	98.82	-0.5	90.61	97.64	+0.0	2.09	99.38	90.60	97.68	100,53	79.56	73.21
Hong Kong (48)	110.14	+0.8	100.99	110.37	+ 0.8	4.90	109.28	99.64	109.50	140,33	86.41	105.20
Ireland (17)	166.09	+0.5	152.28	166.51	+0.8	2.52	165.21	150.64	165,22	166,09	125.00	130.08
Italy (97)	95.04	+0.1	87.14	96.89	+0.5	2.31	94.99	86.61	96,39	95,04	74.97	70.09
Japan (455)	191.23	+0.4	175.33	168.26	+ 0.8	0.47	190.38	173.59	166.97	200,11	164.22	161.04
Malaysia (36)	189.78	+0.0	174.00	195.22	+ 0.0	2.46	189.69	172.96	195.17	190,58	143.35	151.20
Mexico (13)	267.49	+ 0.1	245.25	741.52	+ 0.0	0.68	267.26	243.69	741,48	277.40	153.32	151.36
Netherland (43)	130.13	-0.3	119.31	127.25	+0.2	4.07	130.53	119.02	126.99	130,67	110.63	104.22
New Zealand (20)	80.83	-0.4	74.11	71.69	-0.3	4.81	81.13	73.98	71 <i>.</i> 93	81,13	62.84	81.06
Norway (24)	176.30	+1.2	161.64	166.49	+1.4	1.55	174.29	158.92	164.18	198,39	139.92	118.48
Singapore (26)	168.34	+ 0.1	154.35	151.28	÷ 0.0	1.87	168.26	153.42	151.28	169,43	124.57	131.52
South Africa (60)	153.50	+0.1	140.74	138.94	÷Q.1	3.93	153.31	139.79	138.77	153.50	115.35	109.87
Spain (43)	157.25	+0.2	144.18	141.70	+0.2	3.64	156.93	143.09	141.36	158,02	143.14	145.74
Sweden (35)	186.08	+0.3	170.62	178.23	+0.6	1.95	185.61	169.24	177.23	187.77	138.45	112.68
Switzerland (64)	94.16	+1.1	86.34	95.48	+ 1,7	1.98	93.10	84.89	93.88	94,16	67.81	77.57
United Kingdom (310)	157.24	+0.0	144,17	144.17	+0.5	4.04	157.28	143.41	143.41	158,41	133.28	130.17
USA (551)	141.18	-0.6	129.45	141.18	-0.6	3.22	142.07	129.54	142.07	142.07	112.13	108.85
Europe (1004)	131.33	~ O.1	120.42	125.36	+0.4	3.27	131.47	119.87	124.87	132.62	112.63	103.24
Nordic (121)	171.33	-0.9	157.09	160.32	-0.5	1.78	172.85	157.61	161.14	178.38	137.95	108.75
Pacific Basin (670)	186.61	+ 0.4	171.10	164.58	+0.7	0.69	185.84	169.45	163.39	194.72	160.44	158.34
Euro - Pacific (1674)	164.60	+ 0.2	150.92	148.82	+0.6	1.53	164.20	149.71	147.91	166.98	141.56	138.31
North America (675)	141.80	-0.6	130.01	140.49	- 0.6	3.22	142.64	130.06	141.33	142.64	112.79	
Europe Ex. UK (694)	114.95	-0.2	105.39	113.75	+ 0.3	2.69	115.13	104.98				107.48
Pacific Ex. Japan (215)	131.24	-0.1	120.33	118.58	+0.0	4.46	131.37		113.43	116.28	96.30	86,55
World Ex. US (1871)	164.16	+0.2	150.51	148.31	+0.6		163.78	119.78	118.53	137.65	111.93	125.84
World Ex. UK (2112)	154.64	+ 0.0	141.79	145.03		1.60		149.33	147.45	166.35	141,49	135.48
World Ex. Sc. Af. (2362)	154.87	+0.0	142.00		+0.2	1.94	154.71	141.07	145.80	155.68	136.98	123.82
	137.69	-0.4	126.25	145.89	+0.2	2.11	154,94	141.27	145.60	155.92	136.67	124.45
World Ex. Japan (1967)	101.08		120.23	134.48	-0.2	3.29	138.23	126.04	134.77	138.23	114.51	106.79
The World Index (2422)	154.86	+0.0	141.99	145.84	+0.2	2.13	154.93	141.26	145.55	155.89	136.68	124.37

